Daily Report

Latin America

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Cuba

Antiaircraft Defense Exercise To Take Place 13 Apr

FL1204183093 Havana Radio Rebelde Network in Spanish 1700 GMT 12 Apr 93

[Text] Tomorrow, 13 April, as of 0700, a nationwide exercise involving the nation's antiaircraft defense will take place. The exercise is aimed at raising the levels of preparation and the struggle against airborne enemies.

There will be troop movements in Cuba and flights by the combat Air Force. Explosions will be heard and the means Cuba has to sound the alarm for an attack by air will be set off.

French Envoy Cited on Increasing Economic Cooperation

FL1204192593 Havana Radio Rebelde Network in Spanish 1700 GMT 12 Apr 93

[Text] Based on mutual advantages and in accordance with market criteria, France is seeking to increase its economic cooperation with Cuba in several different spheres. The following are details of statements made in Havana by French Ambassador Michel Dufour [name as heard].

The new ambassador said that Paris would like, in addition to encouraging a greater rapprochement and integration with Cuba by France's overseas departments in the Caribbean, Martinique, Guadeloupe, and French Guiana, to expand economic relations with our country. The aforementioned French islands have an important role to play in the regional geopolitical context. Those areas can also contribute lively cultural elements of great value, in their relations with Cuba. This could extend, in turn, to Haiti and the Dominican Republic as part of a policy among island neighbors.

Michel Dufour praised Cuba's show of pragmatism upon the cessation of economic links with what used to constitute the Socialist Bloc in Europe. This pragmatism is now translating into a search for new partners in Latin America and the Caribbean.

In that connection, Dufour said: Cuba is easily finding new partners by opening up its economy—by promoting mixed enterprises in certain sectors, such as tourism, biotechnology, and the energy sector—without having this be conditional on the political system in force.

In Cuba, France is participating in looking for oil, reorganizing the communications system, and improving air transport through companies such as (Totale), (Alcatex), and (Thompson). For its part, the company (Accord) is negotiating for a way to become involved in domestic tourism, (?in view of) the expansion.

The ambassador explained: It is a matter of an economic process and not of help or subsidies, because the cooperation is being governed by the laws of the market.

Haiti

MDN Leader Urges Application of Article 149 of Constitution

FL1204151893 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 12 Apr 93

[Text] Mobilization for National Development [MDN] leader Hubert de Ronceray is speeding up his struggle to return to Article 149 of the 1987 Constitution. In a declaration published on 7 April, the MDN leader says President Clinton's 16 March statement that he would speed up the negotiations so Aristide can return to power has caused anxiety in the entire Haitian family. The MDN thinks the negotiation file should be closed and Article 149 of the Constitution applied.

[Begin de Ronceray recording] Marc Bazin and Jean-Bertrand Aristide have plotted jointly with foreign countries to put Haiti into hell. Marc Bazin and all his team have smashed open the bank. They (?quickly) issued worthless paper money [zorey bourik]. They have plundered the little money still available. We ask that this matter of negotiations, that [words indistinct] so people can have a wild time in power, be closed. We ask that these (?so-called) negotiations that have led us to the catastrophe we are now experiencing be closed. We ask all those who are lucid.... [changes thought] We demand the application of Article 149 of the Constitution. [end recording]

They are ready, so are we. This is what de Ronceray says. De Ronceray, who announces that there will be civil war if groups attack one another, proposes again that Justice Joseph Nerette return to power in accordance with Article 149 of the Constitution.

Group Distributes Pro-Aristide Pictures, Leaflets 9 Apr

FL1204215393 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 12 Apr 93

[Report by correspondent Jocelyn Jean in Cap-Haitien—recorded]

[Excerpts] [passage omitted] The procession of the cross progressed well on Good Friday, 9 April. The procession began at the Vincent Foundation where several thousand believers gathered very early in the morning. There were stops for each of the 14 stations of the cross. The procession ended at 1500 at the St. Theresa of Calvary Seminary. [passage omitted]

We point out that at approximately 0930, panic developed in the procession in the Rue 2 area when a group joined the procession. This group was shouting: Up with Father Aristide. They distributed numerous pictures and leaflets in favor of the ousted president. Several church officials blamed Aristide's partisans in Cap-Haitien for this activity. Several arrests were reported but we have not been able to confirm them.

Antigovernment Slogans Written on Jeremie City Walls

FL1204220693 Port-au-Prince Radio Metropole in French 1600 GMT 12 Apr 93

[Report by correspondent Maturin in Jeremie—recorded in Creole]

[Text] During the weekend, several antigovernment slogans calling for the return of the ousted president were written on several city walls in Jeremie. A religious sister was also attacked by a military auxiliary who was arrested by the authorities. Our correspondent Maturin has the following report.

[Maturin] Up with Aristide! [Words indistinct]. Those were the slogans that the population in Jeremie saw written on several city walls on 11 April. Those slogans were added to previous ones that had been written in favor of President Aristide and against the Army and the current government. The military authorities, who since 30 September 1991 do not want these kinds of activities to take place, did not arrest anyone or force anyone to erase the slogans.

A military auxiliary was arrested after he attacked a religious sister named Sister Emilia Milard, a member of the congregation of Fille de la Sagesse, during Holy Week while the sister was shopping in the public market. The military accused the sister of not speaking well about the military. He contemplated hitting the sister but was stopped by street vendors. The military authorities in Jeremie, once informed about it, arrested this military auxiliary. It should be pointed out that this individual, who was making himself known in the city, was one of the people who ordered the curfew in Jeremie in February.

Military Arrest Youth Accused of Distributing Pro-Aristide Leaflets

FL1204153393 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 12 Apr 93

[Text] The Saint-Marc military arrested at least three youths on the evening of 10 April while they were reading leaflets they found in the yard of the parish Catholic Church. According to the report we received, the military apparently accused the youths of distributing the leaflets, which contained Aristide's picture and slogans urging his return to power. Those arrested include Ernst Ocean, a young man who has been working for a short time as a Radio Tropic FM correspondent in the Lower Artibonite. The youths are in jail in Saint-Marc.

Trinidad and Tobago

Finance Minister Expresses Reassurance on T&T Dollar Float

FL1204234893 Bridgetown CANA in English 1923 GMT 12 Apr 93

[Text] Port-of-Spain, Trinidad, April 12, CANA—A day before Trinidad and Tobago floats its dollar Finance Minister Wendell Mottley has reassured Trinidadians the transition will be a smooth one.

"We do not expect the Jamaican situation to prevail. We expect to get out there and have the banks agree (to) a rate and to hold to that rate," Mottley said at a special sitting of the Senate to amend the Central Bank Act allowing liberalisation of the foreign exchange regime and floating of the currency.

"...And therefore there will be no consequential devaluations upon devaluations accelerating the inflation rate."

Last Wednesday [7 April] when the foreign exchange market closed, the government and the Central Bank announced controls on the dollar—pegged to the U.S. dollar at the rate of 1 U.S. dollar to T&T4.25 dollars—were being lifted. On Saturday [10 April], the House of Representatives passed the amendments and on Monday [12 April] they went before the Senate for final approval before banking business resumes.

Stating there were radical differences between Trinidad and Tobago and Jamaica, Mottley said fundamental to the floating issue working were tight monetary and fiscal policies in operation. He said the Government of Trinidad and Tobago last year introduced tight monetary policy and later tight fiscal policy.

"It wasn't so in Jamaica. When Jamaica started its floating, it had foreign exchange reserves of minus 825 million dollars.

"We had last year an inflation rate of 6 per cent. In Jamaica, their money supply increased by 73 per cent between September '91 and September '92 with an increase in prices of over 70 per cent," he said at the special sitting on Easter Monday.

"In other words, not only have we had tight monetary policy but we had inflation under control. There is no expansion of money supply. The money supply in Trinidad and Tobago was contracted by 6.6 per cent in 1992 in the same period the Jamaican money supply grew by 73 per cent."

The finance minister said whereas the Jamaican Government had to purchase U.S. dollars on the domestic market, the Trinidad and Tobago Central Bank was in the "other position" of having U.S. dollars entering into the system through oil taxes.

"...And being in a position to get out there with that and at times influence the rate."

Mottley said tax receipts from oil companies and loan receipts and other official inflows would continue to be lodged directly with the Central Bank, which would use the resources to meet scheduled debt service and other commitments of the central government.

"It is not expected that the Central Bank will be a frequent direct participant in the foreign exchange market, although it will effect continuous oversight of the market.

"The Central Bank may occasionally have to enter the market to purchase foreign exchange in order to meet cash flow deficiencies: It may also occasionally sell foreign exchange to the market," he said.

Stating that there were two options open to Trinidad and Tobago, Mottley added the country could have either attempted to continue to insulate itself from worldwide developments including trading and investment relationships or attempted to insert itself into the competitive global village and go bravely forward.

"My government is clear that the second option is the only way forward for our country.

"This conviction in no way fails to acknowlege the difficulties and risks which inhere in this strategy."

Mottley told the Senate difficulties would arise in the initial days and weeks of the new system but every effort would be made to minimise them.

"First, there is almost certain to be some depreciation of the exchange rate at the outset, for the very simple reason that the demand for foreign exchange exceeded the supply at the rate of T&T4.25 dollars.

"In our highly open economy where the import content of production and expenditure is high, this will mean some increase in the level of prices. There will be no inflation, that is continuously rising prices, unless the exchange rate is continuously depreciating."

Mottley said, however, the threat of an increase in the cost of living should also be viewed as an opportunity for the people to confront their taste patterns which seem to favour imported goods and services. He said higher prices for imported goods would make locally produced goods and services more competitive and help to activate the country's production capacities for local goods and services.

"Perhaps, more important, a depreciation is necessary to correct the appreciation of the (real) exchange rate which has come about due to the reduction in tariffs agreed at the level of the Caricom (the Caribbean Community).

"The depreciation will allow our manufacturers to remain competitive in this market, and become more competitive abroad, and so preserve jobs in those industries."

Mottley said a second potential problem related to the risk of continuous depreciation was that of speculative attacks on the currency. Stating that some citizens may seek to "take in front," the finance minister said the reaction would be misplaced and ultimately counterproductive.

Among the gains Mottley said were likely to accrue to the national economy from this latest move by government to open markets were the encouragement of some reflow of capital and facilitation of the country's development as a business and financial centre.

El Salvador

FNLN Demands Release of Fighters Charged With Murdering U.S. Advisers

PA1304005593 San Salvador Radio Farabundo Marti Network in Spanish 1800 GMT 12 Apr 93

[Report by Inelda Alvarenga]

[Text] On 12 April, the Farabundo Marti National Liberation Front [FMLN] and the defense lawyers of the former combatants charged with murdering two U.S. advisers demanded that the men be set free based on the recently approved amnesty law.

Lawyers Luis Parada and Omar Pastor said they will continue to struggle legally to obtain amnesty for the two former FMLN combatants. German Arevalo Hernandez, also known as Porfirio, and Severiano Fuentes, also known as Aparicio, are charged with killing two U.S. advisers after their helicopter was downed in Lolotique, San Miguel Department on 2 January 1991.

Pastor said he believed it was detrimental for the judicial system to refuse the release of the prisoners as it violates Article 3 of the Constitution.

[Begin Pastor recording] The exception is very serious because the refusal to release the men involved in the helicopter case is a violation of the Constitution. Why? Because the law of the country has to be implemented with equality. Not to do so is to discriminate against a citizen and to violate the principle of equality stipulated in Article 3 of the Constitution of our country. In a strict legal sense, our country's principle of legality is also being violated because it is a breach of the international agreement that we ourselves signed and ratified. [end recording]

According to the lawyer, the U.S. advisers who were flying over the war zone were not duly accredited in El Salvador, therefore, diplomatic privileges established by the Vienna Convention cannot be extended to them.

[Begin Pastor recording] The explanation that as a result of the Vienna Convention they cannot be granted amnesty is not correct, as the amnesty law takes precedence over the Vienna Convention. To apply the Vienna Convention they must be connected to a diplomatic mission accredited in our country. This means that the person has been duly acknowledged by our government and our Executive Branch, which is not the case. These gentlemen were stationed at Palmerola, slept in Palmerola, woke up in Palmerola, and Palmerola is located in Honduras. [end recording]

On the other hand, former FMLN Commander Jorge Melendez said that his party is prepared to carry out all the legal and political means necessary to apply the amnesty law to the former FMLN fighters, as it is illegal for them to remain under arrest.

[Begin Melendez recording] We feel it is completely illogical, inappropriate, unsatisfactory, and unethical to sentence two people who participated in an incident that took place during the war. In no way can this incident be compared to all the crimes that have already been pardoned. I believe the most appropriate thing to do is fully inform the Salvadoran people of the details of this case, and the political parties and the political leaders should look for ways to encourage a state of law in El Salvador. We, as FMLN, are going to carry out all legal and political means necessary to apply the amnesty law to our comrades and to have them released from prison. [end recording]

On 11 April, the Catholic Church stated that it is impossible to apply the amnesty law only to the military officers named in the Truth Commission report and that it must be applied in a general manner to all political prisoners.

Nicaragua

New Security, Control Measures Announced for Media

PA1204164993 Managua Radio Nicaragua Network in Spanish 1200 GMT 11 Apr 93

[Text] The Public Relations and Official Information Directorate of the Presidency has announced new security and control measures for the media to facilitate journalists' work. The control measures are basically aimed at journalist reportage at the capital's international airport.

It was established, in conjuction with airport authorities, that national and foreign media officials will have to be punctual when checking in technical equipment because after the news activity begins, access to the facilities will be denied. To enter the airport, journalists and mobile unit personnel should carry their press passes, which are issued by the Public Relations and Official Information Directorate of the Presidency, and upon presenting this pass, airport security personnel will give them an identification card or temporary special pass. Otherwise, they will be unable to enter the facility where the news activity is being held.

Human Rights Association Learns Promoter Killed

PA1304005993 Managua Radio Corporacion in Spanish 2200 GMT 12 Apr 93

[Communique issued by the Nicaraguan Human Rights Association in Managua; date not given]

[Text] The Nicaraguan Human Rights Association, ANPDH, has learned through the media that human rights promoter Leonel Gonzalez Mora, of the Nicaraguan Human Rights Center, was killed on 26 March by three unidentified armed men wearing military uniforms in a place known as (Sombrero Negro), La Batea jurisdiction, Chontales Department. Gonzalez was a justice of the peace there.

This is one more example of the systematic abuses against human rights activists of this institution that have been reported. They reflect a failure to enforce

Article 23 of our political Constitution and Article 3 of the Universal Human Rights Declaration, which describe specifically a person's right to life, liberty, and safety.

This situation worries ANPDH because all citizens, who defend and promote human rights as we do, feel defenseless. The impunity of this murder would establish a shameless precedent for justice and for all Nicaraguan citizens. Thus, we demand that the government:

1. Conduct an immediate and exhaustive investigation into this incident.
2. Punish the culprits regardless of their identity.
3. Make public the results of the investigations and the corrective action adopted by the corresponding organizations.

UNO's Guevara Says National Dialogue 'Only Alternative'

PA1204170493 Managua Radio Nicaragua Network in Spanish 1200 GMT 12 Apr 93

[Text] National Opposition Union [UNO] leader Roger Guevara Mena has said that a national dialogue is the only alternative for answering the country's demand for a solution to political and socioeconomic problems. Guevara, an adviser to Vice President Virgilio Godoy Reyes, said he supported the idea of a national dialogue that President Violeta Barrios de Chamorro's administration has been promoting. Here are his remarks:

[Begin recording] [Guevara] The dialogue is a very important aspect that no Nicaraguan can ignore because we can only have social, economic, and political development if Nicaraguans understand each other. The dialogue must be characterized by goodwill, but most of all it must yield results and people must adhere to it. I think that is a fundamental matter right now for political, economic, and social development. Without dialogue all Nicaraguans without exception will face serious problems because the country cannot go on the way it is now; that is, practically ungovernable and under the shadow of the Sandinist regime. I think we are all equally committed to making concessions as well as demanding rights. That way all of us will have obligations to fulfill.

[Unidentified reporter] What points can the national dialogue agenda contain?

[Guevara] The political parties have already submitted an agenda stating that the dialogue must revolve around social peace. Social peace means ownership, legal security, and the rule of law. It also means privatization. It is up to the authorities to make this process honest and safe since local investors, not to mention foreign investors, will not feel secure without it.

[Reporter] Does the fact that the Nicaraguan Government got the United States to release its aid mean things will improve?

[Guevara] I think it means conditions have been placed on the aid, or hope for any aid, by the rest of the international community, which is tired of handing out money and large quantities of materials to a people who have been unable to get organized and, most of all, who have shown little honesty in handling those resources. One has to consider that those resources have arrived unevenly, benefiting a few to the detriment of the large number of Nicaraguans who have gone without the aid to begin the economic and social development that we sorely need and that was something that we voted for in the 1990 elections. [end recording]

* Purpose of UNO Rally Defined

93CA0086F Managua LA PRENSA in Spanish 4 Mar 93 p 4

[Commentary by Alvaro Martinez Cuenca]

[Text] The 28 February demonstration in the Plaza de la Republica convened by UNO [National Opposition Union] is the first massive civic protest by the people who elected Violeta Chamorro. They are protesting because she has cut herself off from her roots, from her commitment to the UNO government program.

She has not had sufficient determination to replace the dictatorial Sandinist institutions with effective democratic structures and principles to ensure an authentic state of law capable of restoring justice and morale.

This protest is directed to Violeta Chamorro. As the servant of her people, she must respond by making corrections, in order to reestablish the popular will and her own legitimacy which comes from the people and not from the military's rifles.

Power comes from the people and belongs to the people. It cannot be the private property of any president, minister, technocrat, military, economic class, party, or revolution, or a mix of all of them.

In the demonstration of 28 February in the Plaza de la Republica I saw the same people who fought with Pedro Joaquin against Somoza, who voted against the Sandinist structures, and who now want their votes to be made a reality and the government to keep the promises made to the people to eradicate forever the violence that has often been used in Nicaragua and has led only to death and more division in the Nicaraguan family.

I saw with surprise UNO's drawing power in adverse circumstances, with limited resources.

Their best known leaders have been called powerful neo-Somozists, disloyal and obsolete, discredited by their actions, but the people present there were guided more than by political bosses, which is traditional. They were working for a just cause with the sound example of the UNO parties that union creates strength.

Threats, intimidation, and deceit were used against the people, like the baseball all-star game—the Somozist style of tempting the people with their favorite diversion: baseball, with no admission charge.

This was a blow aimed at the people who weathered the storm and with civic responsibility kept their pledge in the plaza.

On the next day, reporters and media like BARRICADA and EL NUEVO DIARIO provided disinformation, with a lack of truth and honesty on the part of the press concerning the magnitude and significance of this demonstration, while their own photographs that were intended to support their information denied the veracity of their words.

LA PRENSA's lead editorial manipulated the demonstration, distorting this historic event, making its readers believe this was a demonstration supporting Dona Violeta, and that Dona Violeta had emerged stronger.

With this type of news, editorials, and thinking that do not reflect the truth of the facts, the president will continue to be misinformed or poorly informed, and may not realize what is happening in Nicaragua, and the dangers approaching.

Dona Violeta can still emerge the victor, but the only way that she can win is for the people who elected her to win; that can be done by making changes—by restoring power to the people and their elected representatives and working with all the active forces in a national project.

Dona Violeta must demand that the Sandinists obey and respect the people's will, and must make them really turn over power. Power must no longer be shared with the Sandinists, but with the representatives elected by the people.

The Sandinists and their party must become like any other citizen or party, without greater or fewer privileges or rights, eradicating forever the system of having the people's power wrested away from them by an economic class, military caste, party, or revolution.

To do so, military arms and both regular and irregular troops must be definitively banned in Nicaragua. They are responsible for our bloody history of sorrow and misery.

Last but not least, in the midst of the demonstration I heard a ringing shout that made me think: "If Pedro Joaquin were still alive he would be here!"

Dona Violeta, the people are claiming their victory. There is no other alternative but to comply and be a winner with the people; otherwise, we will all go over the edge of the cliff.

Pedro Joaquin wants this too.

* APO Takes 'Anti-Sandinist' Positions

93CA0086B Managua EL NUEVO DIARIO in Spanish 3 Mar 93 pp 1, 8

[Commentary By Danilo Aguirre S.]

[Text] With no malice intended, it is necessary to identify 10 of the 14 parties who formed UNO [National Opposition Union], whose legal existence came to an end with the election. If it remained unchanged it could continue to use these initials, though that might place it in the position of opposing its own government.

So the information given in the press release published by LA PRENSA about the change in name to APO [Political Opposition Alliance] might seem reasonable, as not all the parties were in UNO, nor did they maintain their original relationship with the government that was elected.

Starting from this undeniable truth, these 10 parties, acting as a New Entity, may seek in the government all the changes they have urged, dropping from the UNO government program whatever they do not want, although there is agreement on constitutional reforms and on the general considerations of democracy and the state of law.

The essence of The New Entity's demands lies in a confrontation with Sandinism by dismantling or eliminating the Army, converting the Judiciary and the Electoral Power into organizations with a single political color, and solving the problem of urban and rural possession of houses and lands through massive expropriations, without distinguishing between legal and illegal actions, and leaving the latter distinction to be made by a later process, with no protections of any sort provided.

There is also the odd demand for a National Assembly as the perpetual property of The New Entity, even though this group might be a minority in parliament.

Still, as a New Entity, they have the right to ask for what they want and the government has the right to reject their requests, for if the latter demand had been included in the UNO program the presidential candidate might not have agreed to run, and what is even more likely, with a different platform, the people would not have voted as they did, thinking that they were going from the frying pan into the fire.

Finally, we believe that even as a New Entity it might be legitimate to invoke the UNO government program, which the executive has not really implemented.

Economic tranquility was promised in a short time, as were jobs, health care, and education. If the government found it impossible to carry out its promises, under the original program it should have recommended a strategic change in the economic and social leadership.

But of course The New Entity is not asking for any of the latter; that is not where its interests lie.

This demand can only be made by the people who are hungry and unemployed, the people who do not have the health care or education they were promised.

These people were not demonstrating in the Plaza de la Revolucion on 28 February, with the exception of some poor campesinos who were bused in.

The people are pursuing their demands in other ways. They are united in their misery, whether they voted for

UNO or for the FSLN [Sandinist National Liberation Front], and that is why there is no joint government, but there are instead joint supplicants.

* Police Action Against Sugar Workers Criticized

93CA0086A Managua EL NUEVO DIARIO in Spanish 4 Mar 93 p 4

[Editorial: "Police Repression at the San Antonio Sugar Mill"]

[Text] The serious events at the ISA [San Antonio Sugar Mill] in which many people were wounded, some of them seriously, and about 40 persons were arrested, raises for the citizens in general and for the workers in particular serious questions about the behavior of the police who have been acting as forces of repression against the workers, similar to the actions of the Somozist police forces.

No matter who fired the first shot, no officials from the Ministry of Labor were present. Whether their absence was premeditated or not, they should have been the first people to reach the site of the conflict, mediating and persuading to avert further deterioration. Their absence was apparently taken advantage of by the mill owners or agents who acting on their own behalf, called in antiriot squads against the workers, an action that bordered on criminal or, to say the least, was certainly irresponsible.

This conflict is not new, and as usual it arose from failure to comply with agreements and from the arrears of one month of wages due to the workers. This is a serious failing on the part of the company, given the harsh economic situation the workers face because of their low wages and the recent currency devaluation.

Things have reached such a point that both government institutions and private companies ignore with impunity agreements they signed with the unions, and when the unions, driven by their members' needs, demand and protest, the riot squads strike with repressive rage.

There was something more at the ISA. They sent in a helicopter to terrorize the workers, which fired not only tear gas canisters but bullets as well, and set fire to several "manzanas" of sugarcane fields. This damage was then blamed on the workers.

The difficult times Nicaragua is experiencing call for prudence and understanding on the part of the government, in order to avoid heating up the social climate.

We say the same thing to the union leaders, with the understanding that the persons primarily responsible are those who fail to keep their commitments and who disregard labor-management accords. In essence, they are seeking the installation of an ultrarightist dictatorship that will liquidate social gains and destroy the workers' organizations. But to do that, they will first have to spill an ocean of proletarian blood.

Let the authorities consider that and ponder the abyss. Perhaps it may lead them to alter their course of action.

* Political Parties, National Project Viewed

93CA0086C Managua EL NUEVO DIARIO in Spanish 3 Mar 93 p 8

[Commentary by Danilo Aguirre S.]

[Text] It is truly amazing that modern political thinkers like our good comrade Francisco de Asis Fernandez are advocating that the very interesting National Project be made contingent upon the consensus of the political parties.

Even more astounding is the fact that they want to make democracy, pluralism, the state of law, and inclusive government dependent upon the political parties. Lately the climate has been very unfavorable in both northern and southern Latin America to this type of democracy. In Peru and Venezuela it has degenerated into an absolute divorce between the privileged politicians and the interests of the people, who have grown increasingly absent from political discourse and the feuding by politicians.

In Nicaragua, without reaching the same level as the people's reaction to the Peruvian parliament, we do have a permanent crisis involving the political superstructure because of the democratic falsification that is based on the mistaken view that the current government is the product of the sum of the votes of the political parties that won the election in February 1990.

New parties with minimal and even ridiculous levels of support, and old and somewhat more established parties with some traditional levels of support along generational lines came together to form UNO [National Opposition Union], which defeated the FSLN [Sandinist National Liberation Front], essentially with the votes of people who had no party or who had decided not to support the front's government program any longer.

In that situation, parliament was filled with deputies unknown to the people who had elected them—the slates were formed by the parties, not by the voters—but once in office, they nobly claimed to be representing the people, in order to demand privileges or to pursue specific political aims.

If the National Project has to satisfy the interests of the political parties, this will only be politics as usual.

The true National Project must emanate from all our society, calling a halt once and for all to the grandiose ambitions of the leaders of the political parties, so that they will henceforth act in concert with those who truly support the interests of the majority of the people.

That is the only way we might we have a true National Project. If we try to do it with the political parties that now exist in Nicaragua, we would only end up with one more pact of the kind that has so often betrayed the legitimate interests of the Nicaraguan people.

* Political Participation of Evangelists Reported

93CA0086D Managua EL SEMANARIO in Spanish 11-17 Feb 93 pp 12-13

[Article by Carlos Gomez E.]

[Text] Because of the rate of growth of the popular evangelical movement in Nicaragua, growth unimaginable to many politicians who would love to have such great drawing power, EL SEMANARIO is offering a quantified view of this active, dynamic, and organized religious sector.

The Nicaraguan evangelicals have six radio stations, 3,000 churches, one television channel, 1,500 schools, clinics, hospitals, newspapers, magazines, a university, a music school, and a nursing school.

This entire social structure is converting the Nicaraguan evangelical organization into one of the most organized economic and cultural powers in Nicaragua's civil society.

It is well known that in the past the missionary projects of the Central American Baptist Churches, and others, functioned largely as offshoots of international institutions that sent missionaries to Nicaragua to challenge the religious, social, political, and economic space held by the Catholic Church.

Those who in the past supported the dominant system from either Catholic or evangelical pulpits, and who now have shed what was in reality only an apolitical mask, hold a view quite different from those who have almost always maintained that evangelicals should take part in the nation's political life.

The evangelicals' participation and integration in political activities of the Sandinist Revolution was always condemned by religious sectors that claimed to be "apolitical" and who denounced that activity, considering the taking of public political positions by pastors and church members a sin. However, that condemnation did not eliminate the "prophetic thread of evangelization," for along with the rejection and condemnation there arose what some evangelicals came to call "prophetic resistance."

After the election defeat of the FSLN [Sandinist National Liberation Front] and the formation of a new government, the evangelicals experienced a new situation. They began an even more political intensity. The frustrated apolitical people now sought power in organizations, and they also began to take a greater interest in political issues.

Reverend Miguel Angel Casco, president of the board of directors of the MEP [Popular Evangelical Movement], told EL SEMANARIO that this movement is the result of analysis and reflection on the part of lay pastors and evangelic seminarians who met during 1990.

"Our movement offers the evangelical community an alternative in the critical situation we now face. We strengthened this movement by three representative forums for analysis and reflection," he said.

Politics and Evangelicals

It is no secret that evangelicals have taken part in Nicaragua's political life, always on an individual basis, either in a revolutionary or progressive group, or taking more "rightist" conservative positions.

"We have supported the principle that when evangelicals take part in the nation's political life, they should do so openly, without concealment," said Casco. "As others considered it a sin for pastors and members of our churches to take public political positions, we were condemned, but still they could not eliminate that prophetic core. Because we were scorned and condemned, we arose as a prophetic resistance of a popular movement. We evangelicals participated in the revolution during 13 years, but with a participation based on faith."

Majority Voted for UNO

After the election reversal, the evangelical community experienced a new situation and entered a new political dynamic. According to Casco, the majority of the evangelicals voted for UNO [National Opposition Union] to get rid of the FSLN, thinking they would have greater freedom and privileges, but their vision was frustrated and betrayed "as the nature of this government is to see them as a zero on the left, responding to the interests of the Catholic hierarchy."

"Profound transformations are needed in this country before we can achieve political stability. As a political force we will undergo our own process of purification, shedding partisan interests in exchange for the people's interests."

According to Casco, the principal evangelical inspiration lies in "the mission and action of Jesus"; "we take the historic legacy of the prophets, stimulating and adopting as our own the popular project indicated in the Magnificat of Mary."

The popular evangelical movement, he indicated, is inspired by the "historic legacy of our sisters and brothers" like Frank Paiz, Dietrich Bohffer, George Cassallis, Martin Luther King, Augusto Cotto, Mauricio Lopez, "and our Nicaraguan sister, Olimpia Colindres."

"They motivate us to continue to fight for the lives and dignity of the poor. We do not want to be just one more party. In our country's present conditions, no party by itself can move forward. The popular evangelical movement wants to offer a real alternative, seeking joint solutions."

Casco noted that his movement will not lose its ecclesiastical expression. "We do not want to be just one more party; we are a political action movement within the evangelical church," he said.

The evangelical movement basically has three levels of political organization at this time: the PJN [National

Justice Party], the MEP [Popular Evangelical Movement], and the PERA [Ecumenical Party for Reparation of Injuries).

In the Popular Evangelical Movement are people who have always stood for political participation by the evangelicals. The leaders of the PJN opposed this political participation, contrary to the leaders of the PERA who, in Casco's words, "have fought at our sides."

"Some brothers in the PJN condemned our participation in the revolution; they say Christians and evangelicals should be apolitical. Today those who used to say they were apolitical are in the forefront of a political party whose aim is to take over power. We maintain that the evangelical is a citizen of this country, and so he or she should participate in political and social life, even though he has a spiritual citizenship in the kingdom of God."

It seems likely that the evangelicals may soon become entangled in an ideological political struggle, with some opting for the PJN, the PERA, or the MEP, though there may possibly be some evangelicals who will not choose any of these alternatives, but will instead choose to follow a liberal, conservative, or Sandinist political line.

According to the leaders of the MEP and PERA, the evangelical churches will not be only centers of religious proselytism, but will also become centers of political proselytism, as "people will turn to the churches to engage in political activities."

This will obviously generate serious internal problems because, even with all they have already done, the evangelicals are still not accustomed to a certain type of political behavior, which includes bitter attacks, aggressive arguments, and most of all the "dirty tricks common in the political game."

"It is a mistake to think all evangelicals will vote for one of our three options; there are evangelicals who have already made their political choice," noted Casco.

Party for Which They Voted in the 1990 Elections (by Denomination and in Percentages)

Vote	ID [Church of God]	AD [Assembly of God]	IB [Baptist Church]	MC	IC [Christian Church]	IQ	TTotal	Percentage
UNO	..38.5	60.7	38.8	58.5	45.2	68.8	51.6	53.2
FSLN	23.1	19.6	40.8	31.7	41.9	15.6	28.6	42.6
PCD [Democratic Conservative Party]	5.1	0.0	0.0	0.0	0.0	0.0	0.8	0.3
MUR [Movement of Revolutionary Unity]	0.0	1.8	2.0	0.0	3.2	0.0	0.8	1.2
Liberal	7.7	1.8	10.2	0.0	3.2	0.0	4.0	0.6
PSC [Social Christian Party]	7.7	3.6	2.0	4.9	0.0	6.3	4.0	0.8
Other	2.6	0.0	0.0	0.0	0.0	0.0	0.0	—
Invalid vote	2.6	1.8	2.0	2.4	0.0	3.1	1.6	—
Did not vote	12.8	10.7	4.0	2.4	6.5	6.3	6.5	—

In Casco's view, in the future political panorama those who stand to lose the most from the political reorganization of the evangelicals "will not be the Sandinists, but the parties on the right."

Casco cites a number of reasons supporting his prediction. First, no one wanted war, but with the outbreak of war in the north no one reacted strongly enough. Secondly, the evangelicals voted for UNO to get rid of "an atheistic government."

"Ironically, during the Sandinist period more churches arose; the Sandinist Front gave the evangelical churches the rights and the space they needed," he recalls.

"The evangelical churches' relations with the FSLN were more extensive and more flexible than with the Catholic Church."

"There were concerns about the election change, but they did not win because we did not have a definite strategy, we were never seen as an opposition bloc. The front dealt with us in a bilateral manner."

Dr. Jorge Diaz of the National Justice Party, founded in 1992, fully supports the intention of a group of evangelicals to create a single evangelical political party; "we are going to do that despite the antidemocratic nature of the political parties law. We will do what no political party has done before," he stated.

According to Diaz, the PJN will create a state that will promote development without increasing tax burdens, with a parliamentary system that will put an end to the

presidential system of supplanting God. "Our government will be concerned about population growth and the preservation of nature," he said.

In his view, the PJN loves the nation, "knows the history" of this society in which, he said, suffering and pain have been far too prevalent, a society which has lost its moral and spiritual values, and lacks effective leadership. "We will respond to the needs of this country for love, justice, and truth. We will make a Nicaragua where all of us are in deed, resplendent again."

They say they have a membership of nonevangelical sectors in 143 municipal councils. They will not establish alliances with anyone "as that would take away our moral authority, as most of the parties and their leaders are viewed with disfavor by the people. We have the sympathy of many people who are not evangelicals," said Diaz.

Gilberto Aguirre, executive director of CEPAD [Evangelical Committee for Development Aid], finds the advance of these political movements in which evangelicals are participating surprising. "They do not represent the churches, but are acting as individuals, with an opportunity to choose."

During the 20 years of CEPAD's work for social development, he indicated, they had not attempted to guide communities politically. "The only program we support is reconciliation, which will bring stability to the Nicaraguan family." "We do not support any political party; that is not the aim of our organization. Still, based on the objectives of Christian living, we can make political choices as individuals. We have stated our position to the leaders of the three evangelical political options, and they have expressed their mutual agreement," concluded Aguirre.

Reverend Jose Miguel Torres of PERA told EL SEMANARIO that this new movement has arisen because of the realization that the church is called upon to serve, not to govern.

"Many times churches have succumbed to the temptation to govern and to assume power. For the first time it was thought of creating a party, a party of evangelicals, that will make restitution for damages suffered. This initiative goes back to the ideas of Ricardo Morales Aviles expressed before a conference of progressive Christians during the 1970's, to create an ecumenical Christian party to offer restitution for damages suffered under the dictatorship," said Torres.

"Repression was an obstacle to the development of the movement. After the election reversal, a group of us theologians, members of both evangelical and Catholic churches, revived the attempt to form PERA. We arose along with initiatives for change that were presented in evangelical churches around the world, and our strength lies in the pentecostal sectors of the Assembly of God churches," said Torrez.

"As a party, we incorporate middle-of-the road sectors of the evangelical church. We are trying to give reality to a party of the poor, bringing justice to those who have suffered. We are now in the phase of reflecting and considering while we observe the two other options. Our movements are being impeded by the government."

As an example, he cited the United Bible Societies which, he said, have had obstacles placed on their Bible imports and sales. "We hope this mistake on the part of the government against the rise of these options in the Nicaraguan evangelical churches will be reconsidered," he stated.

* Frequency of Cabinet Changes Viewed

93CA0086E Managua LA PRENSA in Spanish 4 Mar 93 p 10

[Commentary by Pedro J. Chamorro]

[Text] Now that half of President Chamorro's term is over, after reviewing the numerous cabinet changes that have taken place in this short time, we find increased instability in the government, especially in the most critical ministries: the Presidency, where three vice ministers have been changed; Government, one change in minister and four vice ministers; the Central Bank, four presidents of the Central Bank; and Economy and Development, three ministers and four vice ministers.

There are also some areas of great stability.

The executive's sovereign right to make cabinet changes is not at issue here. In fact, some of these changes were appropriate and welcome. But the frequency of the changes, especially in highly sensitive areas like Economy, the Central Bank, and the Presidency could be sending the wrong signal to foreign governments and investors.

If there is not a certain continuity, changes may be interpreted as a signal of instability. Some ministries have had an average of 1.5 changes per year. That sends a poor signal both outside and inside the ministries, where the necessary continuity in programs is not perceived before the minister or vice minister is changed.

When the new official takes over, continuity is interrupted and delays and changes occur in state institutions, which does not promote administrative efficiency.

Moreover, it is also possible that excessive stability, as with the head of the Armed Forces, may also send the wrong signal, implying that there are areas "protected" from changes that are needed, or which the executive has promised to make.

To summarize: It is not healthy for the cabinet's efficiency either to have so many changes in certain areas, or so few in others (see the following table listing changes during the first three years of President Chamorro's term).

Cabinet Changes 1990-93

Ministry	Ministers	Vice Ministers
Presidency	Antonio Lacayo (current)	Dr. Jose Adan Guerra (current); Dr. Alejandro Bolanos (resigned); Dr. Antonio Ibarra (removed); Dr. Erwin Kruger (transferred)
Government	Alfredo Mendieta (current); Carlos Hurtado (removed)	Frank Cesar (current); Professor Joaquin Lovo (current); Ronald Aviles (removed); Dr. Jose Bernard Pallais (transferred)
Foreign Relations	Ernesto Leal (current); Enrique Dreyfus (resigned)	Dr. Jose Bernard Pallais (current); Ernesto Leal (promoted)
Foreign Cooperation	Dr. Erwin Kruger (current)	Sergio M. Blandon (current); Roberto Atha (resigned); Dr. Noel Vidaurre (transferred)
Finance	Dr. Emilio Pereira (current)	Rene Vallecillos (current); Mima de Bravo (current); Marta Palacios (promoted); Leonel Rodriguez (resigned)
Labor	Dr. Francisco Rosales (current)	Dr. Mario Garache (current); Dr. Guillermo Vargas (transferred); Dr. Antonio Ibarra (transferred)
Agriculture and Livestock	Roberto Rondon (current)	Jorge Granera (current); Julio Rivera (current)
Health	Marta Palacios (current); Dr. Ernesto Salmeron (resigned)	Dr. Federico Munoz (current); Ignacio Velez (current); Dr. Edgard Robleto (changed); Dr. Edgardo Gutierrez (resigned); Dr. Douglas Soza (changed)
Economy and Development	Pablo Pereira (current); Julio Cardenas (changed); Dr. Silvio De Franco (transferred)	Alfonso Deshon (current); Pablo Pereira (promoted); Dr. Noel Vidaurre (transferred); Dayton Caldera (transferred)
Education	Dr. Humberto Belli (current); Dr. Sofonias Cisneros (resigned)	Jose Sandino (current); Professor Hortensia Rivas (removed)
Construction and Transportation	Pablo Vijil (current); Jaime Icabalceta (transferred)	Edmundo Zuniga (current); Raul Leclair (current)
Tourism	Fernando Guzman (current); Alvaro Chamorro M. (removed)	Dr. Bayardo Garcia (current)
Central Bank	Dr. Evenor Taboada (current); Dr. Silvio De Franco (resigned); Dr. Raul Lacayo (resigned); Dr. Francisco Mayorga (resigned)	Jose Felix Solis (current)
Armed Forces Commander	General Humberto Ortega (current)	
TELCOR [Nicaraguan Telecommunications and Postal Services]	Rolando Rivas (current); Pablo Vijil (promoted)	Ernesto Robleto (transferred); Rolando Rivas (promoted)

Energy Institute Receives Canadian Donation

PA1204222993 Managua EL NUEVO DIARIO in Spanish 12 Apr 93 p 12

[Report by Mario Sanchez P.]

[Excerpt] The Canadian Government—through the Canadian International Development Agency (CIDA)—donated 1,250 pylons as well as nine containers loaded with electrical tools, fuses, and other materials valued at nearly $1 million. The equipment is part of a $10-million donation earmarked to finance the Energy Rehabilitation Project (PRE) promoted by Nicaraguan Institute of Energy.

Javier Gutierrez, engineer in charge of the project, disclosed that the PRE project is scheduled to begin sometime during the week. The objective of the project is to upgrade the Region IV (Granada, Masaya, Carazo, Rivas) electrical system. The project will continue with the improvement of 35 percent of the interconnection system in use in Region II (Leon and Chinandega). [passage omitted].

Panama

Government Denies Request for DEA Interrogation Center

PA1204154793 Panama City EL PANAMA AMERICA in Spanish 12 Apr 93 p 12-c

[Report by Juan Pritsiolas]

[Text] The DEA has made an attempt to establish an interrogation center in Panama to obtain information about international drug organizations.

The center was to be established on one of the Southern Command bases on the banks of the Panama Canal.

U.S. Ambassador Deane Hinton requested approval from the Panamanian Foreign Ministry for the project, but the Panamanian Government did not accede to the request.

According to Hinton, the DEA base was to be used for interviewing foreigners who voluntarily provided information "concerning the organizations involved in drug trafficking."

The proposal stated that the DEA would provide information obtained in those interviews to Panama when the information was of interest to local authorities.

Hinton based his request on the 1961 Narcotics Convention, to which Panama and the United States are both signatories, and on the 1990 Mutual Cooperation Agreement in which both countries pledge to reduce the demand, production, and trafficking of drugs.

The ambassador also stated that the Canal Treaty Implementation Agreement allows the two governments to agree on "additional uses" of the U.S. defense bases on the banks of the canal.

Foreign Minister Julio Linares replied, however, that the use of a base to conduct DEA interrogations is "contrary to the spirit and letter" of the Panama Canal treaties.

Linares argued also that the other treaties cited by Hinton "cannot be used as a justification or legal basis for acceding to the request."

In 1990 the DEA used certain installations in Panama to contact potential witnesses for the trial of Manuel Antonio Noriega on drug trafficking charges that was under way in Miami. It organized operations "Amazon I" and "Amazon II" for that purpose.

After the U.S. invasion, the Southern Command also established an interrogation center on Flamenco Island, which it operated jointly with members of the Panamanian National Police.

U.S. narcotics offices have been operating in Panama since 1970. The U.S. has increased the presence of its agents in the Panamanian capital since the 20 December 1989 invasion.

Legislator Blames Government for U.S. Army-Arraijan Peasants 'Conflict'

PA1204183293 Panama City LA PRENSA in Spanish 12 Apr 93 p 3a

[Report by Hermes Sucre Serrano]

[Text] Christian Democratic Legislator Jose Hill stated that the Panamanian Government is the "only one to blame" for the conflict between U.S. Army South and a group of Arraijan peasants, because the government has been "incapable" of solving the social problems Panamanians have been confronting for the past 30 years.

Arraijan Legislator Hill said Foreign Minister Julio Linares should know the peasants are not violating the Canal treaties but that the government has been unable to find solutions for those peasants. "The government is the party that is not complying," Hill reiterated.

Hill said the problem worsened when U.S. Army South troops (exercising rights granted by the treaties) destroyed the crops of approximately 300 peasants in the Huile, Santa Clara, and Nuevo Emperador communities.

"We are not asking the Southern Command or the Panamanian Government for indemnity. We want the situation to be resolved based on the rights those people have as Panamanians," the legislator stated.

Hill told LA PRENSA that agriculture is the peasants' only livelihood. "Now they cannot send their children to school. We have proposed that the government help them with scholarships until they are relocated," he added.

Legislative Assembly members along with officials from the Southern Command, the Agricultural Development Ministry, the Agrarian Reform Office, and the Foreign Ministry visited the area to gain insights into the problem and find a solution.

The legislator said the Agrarian Reform Office is searching for available land in the reverted areas for that purpose. If none is found, he added, the office will look for land in the Bayano area.

DRP Report Says U.S. Embassy Allowed PDC Access to G-2 Files

PA1204180493 Panama City EL PANAMA AMERICA in Spanish 12 Apr 93 p 12c

[Report by Eduardo Soto P.]

[Text] A recent Directorate for the Recovery of State Property (DRP) document reported the disappearance of "official documents" that referred to the possible delivery of confidential information from the G-2 [former Panama Defense Forces Intelligence Office] files to an opposing political party. The files were seized by U.S. troops during the invasion.

According to the 1992 report issued by the DRP and Justice Ministry, correspondence that proves the U.S. Embassy in Panama allowed the current opposition Christian Democratic Party (PDC) to have access to the G-2 files have disappeared.

The letters date back to 1990 when the PDC headed the Government and Justice Ministry. The DRP requested those documents at the beginning of 1992, but Minister Juan B. Chevalier, an Arnulfist Party member, told the DRP "it has been impossible to find" copies of the documents in their files.

The DRP report was made public at the same time that the Panamanian Foreign Ministry accused the United States of "depriving" Panama of the documents that were seized at the G-2 installations during the invasion.

The DRP, however, claims to have unauthenticated copies of the letters exchanged between the PDC's Ramon Lima, the former deputy government and justice

minister, and U.S. Ambassador Deane Hinton., which are said to establish the delivery of the G-2 documents.

According to the DRP report, Deane Hinton sent a letter to Lima on 6 February 1990, where he stated: "The U.S. authorities are making arrangements to give the documents seized during Operation Just Cause to the Government Ministry."

In his letter, Hinton confirmed that on that date (February 1990) "Panamanian officials visited the location where most of the material is kept." This version was emphatically denied by then Panamanian Vice President Ricardo Arias Calderon a year later (April 1991.)

"It is not known how many documents could have fallen into the wrong hands that will eventually make use of them," the DRP concluded in its annual report.

Officials Meet To Form 'Front' Against Drug Trafficking

PA1304021393 Panama City Circuito RPC Television in Spanish 2300 GMT 12 Apr 93

[Text] Customs Director Rodrigo Arosemena and the chairman of the Legislative Assembly Drug Commission met on 12 April with Attorney General Jorge Valdes to form a front against drug trafficking. Different topics in the struggle against drug trafficking were discussed at the meeting, which lasted more than one hour. Drug-trafficking activities have increased in the country according to investigations.

[Begin recording, Drug Commission Chairman Leo Gonzalez] The situation is very critical. Drug-trafficking activities have increased and we are making every possible effort to stop them. One of the most important things is to purge the Attorney General's Office or everything else will be useless, meaning we cannot arrest drug traffickers if they will be released immediately. [end recording]

According to Attorney General Valdes, his office has excellent relations with the Customs Directorate and the Legislative Assembly Drug Commission, which are all striving to fight drug trafficking.

[Begin recording] [Valdes] Regional drug offices will soon be installed throughout the country. We are preparing a plan to coordinate everything and I believe we will achieve positive results. We are confident relations will be even better.

[Arosemena] The important thing is that the national authorities and the president of the Republic are united in their political, legal, and personal determination to counter this scourge. Let the world and the nation know we will stop drug traffickers as long as these authorities exist because we will form a united front. [end recording]

Meetings like this one will continue because they have allowed the authorities to share information to capture drug traffickers.

[Begin Gonzalez recording] This could not be done while [former Attorney General Rogelio] Cruz was in office. Thank God Cruz has been removed from the Attorney General's Office. New Attorney General Valdes is a man whose door is always open and we will be able to meet and explain the information we receive. This way we share information. The investigations we are conducting separately will eventually become one until we reach our goal, the drug traffickers' arrest. [end recording]

Cargo Ship Carrying Toxic Chemicals Runs Aground; No Spill Reported

PA1304041493 Panama City Circuito RPC Television in Spanish 2300 GMT 12 Apr 93

[Report by Victor de la Hoz]

[Text] The captain of Fertility L, a ship involved in an accident on 10 April at the Pedro Miguel locks, said on 12 April chemicals did not leak in the canal. The Fertility L is carrying 30,000 tons of chemical products. Panama Canal Commission [PCC] authorities have remained silent, however, concerning the exact type of chemical products being carried by the ship. Nevertheless, repair work on two cracks on Fertility L's hull continued on 12 April. The two cracks appeared after the ship ran aground at the Pedro Miguel locks on 10 April. The ship was coming from the United States en route to Japan with 30,000 tons of chemical products. No one has been able to ascertain what type of toxic material is aboard the ship.

This type of ship has a double hull so its chemical cargo is intact and no spill has occurred. The ship was moved to Paraiso's docking station, on the west side of the canal, to start provisional repairs so it can continue its journey. More than 14 frogmen who work for the private company in charge of the repairs are in the area, accompanied by PCC personnel.

[Begin repair technician Arie Van Bueren recording] We have lots of problems because visibility is poor, whenever we have any visibility. We have no visibility to work under water so this slows down everything. The PCC demanded the implementation of security procedures. We can only work when ships are not crossing in front of us. [end recording]

RPC Television's news crew boarded the Fertility L and was able to talk with one of its officers, who said there is no danger of contamination in the area.

[Begin recording] [unidentified captain] We have told you the ship is safe due to the ship's structure, meaning it has a double hull; therefore, the cracks, meaning the damage, are in the outer hull rather than the inner hull, where the cargo is located, understand? There is no danger, as far as we are concerned.

[De la Hoz] What kind of cargo does the ship carry?

[Captain] Many kinds, about five or six different kinds of cargo.

[De la Hoz] What is its current cargo?

[Captain] What?

[De la Hoz] What kind of chemical product is the ship carrying now? Is it toxic?

[Captain] Yes, it is toxic. [end recording]

A PCC spokesman reported the authorities have suggested the adoption of security measures at the Miraflores potable water plant, which is located close to the site of the accident, until the proper investigation is carried out.

Referring to this topic, authorities of the National Water and Sanitation Institute [IDAAN] said they had to reduce production at the Miraflores potable plant.

[Begin IDAAN official Fernando Rios recording] Production was reduced by half so we had to compensate for this in the old sector of Panama City and the area of Arraijan, meaning the areas that receive water from the Miraflores plant. We had to supply water from the Chilibre plant to certain low areas of Panama City's old sector. That is why we could not supply water to many sectors located on higher ground. [end recording]

The PCC is expected to offer an official report on the accident, which could have had fatal results given the highly dangerous toxic products being carried by the Fertility L.

Argentina

Relations 'Good' With Italy Despite Envoy's Arrest

PY1204160193 Buenos Aires BUENOS AIRES HERALD in English 11 Apr 93 pp 1, 4

[Text] (DYN-NA)—Both President Carlos Menem and Italian Prosecutor Giuliano Turone, who is due to arrive in Buenos Aires on Tuesday, stated yesterday that despite the arrest in Rome of Italy's ambassador to Argentina, Claudio Moreno, up to now there has been no link between Argentina and the massive corruption probe currently under way in his country.

"Moreno has nothing to do with the good relations" between Argentina and Italy, Menem told reporters upon arrival at Jorge Newbery Metropolitan Airport yesterday evening after returning from a few days' rest on the coast.

Furthermore, the President noted that two weeks ago he had asked his aides to prepare a detailed report for the courts on any funds provided by Italy under the so-called special association agreement signed between that country and former president Raul Alfonsin in 1987.

In addition, Federal Judge Martin Irurzun is expected to receive information he requested from the Foreign Ministry tomorrow regarding possible irregularities in the signing of the agreement with Italy.

Meanwhile, Turone's comment seconds a release issued by the Italian Embassy here denying that the arrest of Moreno last Thursday would affect relations between the two nations. The statement underscored "the firm commitment by the Italian Government to continue working to develop relations along the same path of co-operation and friendship as always."

The embassy remains "fully operational" in spite of Moreno's absence and "in constant contact" with Argentine Foreign Minister Guido di Tella, added the document.

The ambassador is currently being held in Rome's Regina Coeli Prison and was interogated on Friday by Judge Vittorio Paraggio as part of the large-scale "mani pulite" (clean hands) offensive intended to weed out corruption among politicians and other prominent leaders. Sources said the former head of Italy's programme to provide special aid to developing nations (FAI) has been accused of buying motors for fishing boats destined for Senegal, Mexico and Mali at inflated prices from one of his own companies despite the fact that they were so heavy they threatened to sink the vessels.

Moreno's arrest had raised concern among government officials here due to the close ties he has maintained with the President, with whom he has attended informal social events.

Turone, who told Radio Mitre yesterday he is visiting Argentina to attend a scientific congress and not as part of any investigation, noted that despite the scale of Italy's present scandal it would be "unfair" to dismiss all agreements his country had signed with other nations as mere vehicles to promote certain businesses.

Turone also discussed his uncovering in the mid-1980s of the operations of the Freemasons P-2 lodge, a powerful secret society that he characterized as "an instrument through which (its members) tried to transform Italian democracy into a hidden oligarchy."

The prosecutor said that the P-2 lodge counted some 20 Argentines among its members including former admiral and military junta leader Emilio Massera and ex-social welfare minister Jose Lopez Rega, who served in the government of former president Isabel Peron. He added that his investigation turned up links between General Juan Domingo Peron and the lodge's leader at the time of its discovery, Lucio Gelli.

Gelli also held a position as an economic adviser to the Argentine embassy in Rome.

On a related note Spain's ambassador to Argentina, Rafael Pastor Ridruejo, accused an unnamed Argentine official of misadministering and personally profitting from a donation made by his country to Argentina three years ago in an article appearing in Somos magazine. However, the Spanish Embassy yesterday released a statement asserting that "at no time did the ambassador affirm that the person involved in the diversion of funds served as an Argentine official," adding that the event "happened a while ago and bears no relationship to the present."

Further on Arrest, Relations

PY1204170293 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1139 GMT 11 Apr 93

[Text] Buenos Aires, 11 Apr (NA)—President Carlos Menem has stressed that the detention of Claudio Moreno, Italian ambassador to Argentina, "has nothing to do with the good relations" between the two countries. Menem added that he had ordered his aides to submit to the courts any document that might confirm any irregularity in the bilateral treaty signed in 1987.

The head of state made this brief comment upon his arrival at the Buenos Aires Metropolitan Airport last night from Chapadmalal where he rested during the long Holy Week's holiday.

The president stressed: "This incident involving the ambassador does not have any impact on Argentina."

Menem stressed that when people began talking about the Widespread Bribery Case [Tangentopoli], "two weeks ago I personally asked all the ministries to submit a detailed report on incoming Italian funds for Argentina under the agreements signed with Italy and Spain in 1987."

Menem emphasized: "If there is any doubt about the honesty in handling the funds, I have instructed those who are cooperating in my administration to immediately submit everything to the courts."

It may be recalled that Moreno was often seen in public near Menem as, for example, during Austrian entrepreneur Maia Swarorvsky's birthday party at the Las Mil Rosas Ranch in San Martin de Los Andes.

On 24 March, the Italian diplomat joined Menem on a trip to La Rioja Province, during a visit in which the official protocol was completely absent.

On 25 March, Menem and the Italian ambassador met at the La Montonera Ranch, owned by Renata Cicioni de Orsi, in Carmen de Areco where a large number of personalities from entrepreneurial circles was present.

A few days later, Moreno went to the Foreign Ministry to attend a ceremony in which Hector Gambarotta, who replaced Alieto Guadagni as under secretary for international economic relations, was appointed.

At this moment, it is expected that on 12 April Federal Judge Martin Irurzun will receive the documents requested from the Foreign Ministry to investigate possible irregularities following the signing of the private joint ventures treaty with Italy.

Irurzun also requested reports from Congress, the DGI [General Directorate of Taxation], customs, and other official departments.

Brazil

Russian Minister To Visit, Sign Economic Agreements

PY1304022293 Rio de Janeiro O GLOBO in Portuguese 12 Apr 93 p 15

[Text] Moscow—Russian Foreign Economic Relations Minister Sergey Glazyev embarks today on an official one-week visit to Brazil. According to ministry sources, Glazyev intends to sign economic cooperation agreements with Brazil. Almost two months ago the minister announced that he was negotiating a high-technology project with Brazil.

At the end of his visit, Glazyev will try to visit Paraguay and Uruguay, but there is no official confirmation yet regarding these visits. According to Russian sources, the country could sell military weapons technology to Uruguay and purchase meat, hides, and wool. With Paraguay, Russia has the intention of signing a trade agreement for the importation of meat, soybean, and other types of grains.

During a recent meeting in which he outlined his Ministry's objectives, Glazyev highlighted the increase in trade with Latin America, especially the sale of high technology in the air sector. He pointed out that Brazil is the Latin American country that has the possibility of signing a trade agreement with Russia.

* Alcantara Base Launches, VS-40 Rocket Viewed

93SM0217A Sao Paulo GAZETA MERCANTIL in Portuguese 2 Apr 93 p 13

[Article by correspondent Mariluce Moura]

[Text] Alcantara—The Alcantara Launch Center (CLA) in Maranhao State, which this morning in the presence of President Itamar Franco will launch the VS-40 rocket 1,396 km into space, weather permitting, is preparing to garner, before the year is out, its first foreign financial returns from the investment made in building the base that has cost about $130 million, so far.

This comes about because agreement already has been reached with NASA (only the signature of the formal contracts is pending) to launch 12 scientific sounding rockets and 20 meteorological sounding rockets, all belonging to the U.S. space agency, from Alcantara between October and December of this year. The market price of this service—providing a launch base—is approximately $1.5 million for each sounding rocket.

So Alcantara will not only make it feasible for Brazil to control the launch phase of the rockets and satellites it is beginning to produce, but to fulfill the part of the All-Brazilian Space Mission (MECB) that seems to have the best chance of giving Brazil a certain degree of competitiveness in this area of the space industry.

President Itamar Franco pointed out yesterday during his visit to the CLA that Alcantara has certain comparative advantages over other launch sites for small rockets and satellites. "The fact that it is located two degrees south of the equator permits a fuel economy of 25 percent, compared with normal consumption, and its proximity to the sea increases launch safety," he said.

Magnetic Equator

Fabio Jose Vieira de Souza, an engineer, is operations director of the Alcantara Launch Center and will command today's launch of the VS-40. He provided some more technical details to explain why the Alcantara base is of interest to NASA and other space agencies. "Although the geographic equator is only two degrees away from Alcantara, the magnetic equator is even closer," he said.

This means the electromagnetic belt that circles the earth at its center passes very close to the CLA. This permits scientific probes of the ionosphere, the layer above the atmosphere, a feat not achieved by rockets launched from any other existing base.

The Americans had been setting up their own facility for these probes in Peru, where there is no base. Since we have one that is almost ready, we offer undeniable comparative advantages," Souza explained.

Future of the Atmosphere

Research in the ionosphere enables man to forecast phenomena that will occur in the atmosphere some years from now. "For example, there are projections concerning the hole in the ozone layer that cannot yet be done in the atmosphere, but can be made by investigating the ionosphere," the engineer said.

The Alcantara Launch Center, which celebrated its 11th anniversary yesterday, occupies an area of 620 sq km.

The older Brazilian center, Hell's Gate [Barreira do Inferno] in Natal, takes up only 18 sq km. Approximately $200 million would be needed to completely finish the base, according to Minister of Science and Technology Jose Israel Vargas, a member of the presidential delegation.

However, only about $38 million would be required to ready the center to launch the VLS, the satellite launch vehicle, the vital component of the All-Brazilian Space Mission that was supposed to have been used to launch the SCD-1 data collection satellite. That satellite was sent into space this past February aboard a U.S. Pegasus rocket owned by Orbital Science.

Vargas summed up the question of the Brazilian space program as regards the MECB this way: "The program was expected to cost $900,000 to $1.1 billion over a 10-year period. We had only $500,000 available to spend, in 12 years." Development of the SCD-1 cost $150 million, and another $350 million were consumed between the Alcantara Base and the VLS. "We need to spend another $400 million, of which $50 to $60 million should be used this year to complete the VLS and go forward with the Alcantara center."

These funds are not in the aeronautics ministry budget. Yesterday, President Itamar Franco promised to study ways to get those resources. He suggested that privatization of state corporations may be one source of money for the priority area of science and technology.

Final Step for the VLS

The VS-40, scheduled to be launched today as part of an operation that has been dubbed "Santa Maria," is a two-stage rocket that is considered to be the final step in the conception of the Satellite Launch Vehicle (VLS) being built at the Ministry of Aeronautics' Space Activities Institute (IAE) in Sao Jose dos Campos. The VLS has now been in development for 12 years; its construction has been delayed both by funding problems and by the difficulty in obtaining certain sensitive foreign technologies that it needs—which means the IAE has had to depend on national capabilities.

The device that, weather permitting, will go into space today and, like a sort of prototype, give a hint as to how the VLS will perform, is 9.4 meters long, weighs 6,612 kg with its payload (solar sensors used to capture data from a data collection satellite), and has a diameter of about 1 meter.

It achieves a maximum speed of 4,544 m/second, and its two stages will be burned up in 152 seconds, during which time the rocket will have attained an altitude of 1,396 km.

The entire operation, which will be witnessed by the President of the Republic and some of his cabinet ministers, will be finished when the VS-40 falls into the sea at a distance of 2,080 km from the launch center. During that short space of time, the technicians at the CLA command center will have monitored such components as the remote control and locator systems, the equipment in the telemetry system, the connection between modules, and the pyrotechnic systems in the fourth stage of the VLS.

* Influence of Franco's Inner Circle Viewed

93SM0206A Sao Paulo ISTOE in Portuguese
10 Mar 93 pp 20-22

[Article by Marcelo Tognozzi: "Republic of Paraibuna"]

[Text] *Named after a river in Juiz de Fora, Itamar's circle of friends is exhibiting its influence within the administration.*

Innocent cheesebread has been used as a symbol of the group of collaborators who shape President Itamar Franco's thinking—10 or so friends brought mainly from Juiz de Fora. It is now known that they also scalp undesirable ministers and assistants. Paulo Haddad and Antonio Barros de Castro can vouch for that. That being the case, there is no expression less appropriate than "the cheesebread gang" for describing them. "We are the Republic of Paraibuna," says lawyer Roberto Medeiros, who has been at the president's side for 40 years. He is referring to the river that flows through Juiz de Fora, the hometown of the main figure on that team, jurist Jose de Castro Ferreira, 59, who almost became minister of justice in September 1991 while Itamar was acting president. On that occasion, Collor was in Africa, and Itamar became irritated with Minister Jarbas Passarinho. He ordered the consultant to the republic, Celio Silva, to prepare the document dismissing Passarinho. He then telephoned Castro Ferreira in Juiz de Fora: "Ze," the acting president said, "get ready to take over the Ministry of Justice, if only for a few hours, because I am going to fire Passarinho. I am sending an FAB [Brazilian Air Force] aircraft to get you." Itamar backed down only after Castro Ferreira himself, Senator Alexandre Costa (PFL [Liberal Front Party], Maranhao), and press adviser Emerson de Souza warned him of the danger of falling into the ridiculous situation of seeing his decision revoked by President Collor just hours later.

When the crisis became irreversible and Itamar's chances for taking over the presidency became real, Castro Ferreira was the first of his friends to be remembered as a candidate for the ministry which, in the past, had included him on its list of people potentially dangerous to the country (in 1967, he had been removed from his position as alternate federal deputy representing the PTB [Brazilian Labor Party] and had his political rights revoked for 10 years). He chose instead to move into Annex 4 of Planalto Palace, where he functions as general counsel of the Union. There, with eight telephone lines and one cellular telephone, Castro Ferreira works at an intense pace. He is constantly on the telephone and gives his efficient secretaries Adriana and Silvia no respite. The administration's top man—a label he rejects—the general counsel of the Union has become a kind of superadviser to the president. "Minister Henrique Hargreaves handles the politicians, and Castro Ferreira handles politics," says one minister. Last week

he celebrated the double victory of seeing Minister of Finance Paulo Haddad and the president of the BNDES [National Bank for Economic and Social Development], Antonio Barros de Castro, leave the administration. Eliseu Resende, the new minister of finance, is a friend of Castro Ferreira, who had been working since December to put him in office.

"The president has gotten out of the economist rut," he said jubilantly on Wednesday the 4th when he learned of Barros de Castro's departure. And he continued: "Brazil's foreign debt in 1964 was $3.8 billion, and now it is up to $150 billion. What kind of country is this that the economists have bequeathed to us? Although completely in control, the lineage of economists has failed. Just look at the results." Concerning his enemy Haddad, who left the administration with guns blazing, Castro Ferreira has been saying: "He was celebrating a February inflation rate that was from 4 to 5 percent below the January rate, ignoring the fact that there were only 18 working days in February. Inflation is traditionally lower because of that, and the government also helped by ensuring the adjustment in the price of public services."

Castro Ferreira is announcing that Brazilians can scratch the words "confiscation," "shock," "dollarization," and "freeze" from their list of worries. According to him, the administration has now learned that a freeze is not the solution, especially since it lacks the staff and funds for enforcing one. But Itamar and Castro Ferreira did flirt with the idea at least once back in the beginning. It happened early in December last year. Minister of Finance Gustavo Krause was at the Ministry of Foreign Affairs for a meeting with Minister of Foreign Affairs Fernando Henrique Cardoso when he received an urgent call to come to Planalto Palace. He arrived suspecting that the president was going to adopt a heterodox measure because of his quarrel with the pharmaceutical industry. He confided to an adviser: "I am going in as a minister, but I do not know if I will come out as a minister."

Itamar was in his office with Minister Mauricio Correa, physician Saulo Moreira from Juiz de Fora, and Castro Ferreira. In the latter's hands was a decree fresh off the press and putting a temporary freeze on the price of medicines. Itamar told Castro Ferreira to read the decree to Krause, who was saved by the gong in the JORNAL NACIONAL, whose headline stated that inflation in November was 4 percent below its October level. After Castro Ferreira had read the decree and explained the reasons for it, Krause argued that inflation had declined because of the Itamar administration's good prospects. "The country's thinking has been traumatized by previous freezes, and that may cause a negative chain reaction," the minister of finance argued. Mauricio Correa, who is vying with Castro Ferreira for the title of best friend of the king, also opposed the idea, warning that there might be a torrent of lawsuits. "Mauricio's arguments do not convince me, but Krause's are strong," Castro Ferreira responded. The meeting ended without a freeze after the president had rambled for awhile on the subject of "how hard it is to do something for the good of Brazil."

As a result of the change of command in the economic area, Itamar's group of friends was the target of stiff criticism in Congress. "Those people are mediocre and have no opinions," said Deputy Jose Genoino (PT [Workers Party], Sao Paulo), who described Castro Ferreira as a "second-rate lawyer from the interior." The attacks grew louder, and Itamar commented to Castro Ferreira: "'Ze,' you are drawing a lot of fire." "I am the perfect target," Castro Ferreira answered.

Besides Castro Ferreira, Itamar's other friends are:

Mauricio Correa: A PDT [Democratic Labor Party] senator from Brasilia and 58 years old, Correa played an important role as deputy chairman of the CPI [Congressional Investigating Committee] investigating P.C. Farias. One of Itamar's closest collaborators, he spends a large part of the day at Planalto Palace and was one of those who worked hardest to get rid of Paulo Haddad. He was in the habit of bombarding the former minister with criticism through the newspapers and during cabinet meetings. He wants to succeed Joaquim Roriz as governor of the Federal District.

Henrique Hargreaves: As minister-chief of the Civilian Household of the Presidency, it is he who deals with politicians and acts as the bridge between Itamar and Congress. He has already set a record by receiving 70 congressmen in his office in a single day. Now 56 years old, Hargreaves has been on the staff of the Chamber of Deputies, where he has always been adviser to leaders of the government parties, since 1962. Upon sensing that the crisis in the Collor administration was irreversible, he acted to neutralize the attacks on Itamar and helped the president put his congressional base together. He is responsible for the appointment of 4,500 people to second-echelon jobs in the administration. He supported Paulo Haddad at first, but abandoned the former minister when he realized that the change in command in the economic area had already been decided on.

Ruth Hargreaves: This 52-year-old professor, a sister of Minister Henrique Hargreaves, was secretary of education under former Mayor Itamar Franco and is now his special adviser at Planalto Palace. She is one of the people closest to the president, and she always calls him by his first name. Enjoying free access to Itamar at any hour, she induced her brother to act as a kind of special adviser to Itamar during the impeachment period. The friendship between the two goes back so far that at one time she was mistakenly thought to be one of Itamar's girlfriends. Discreet, she does not like to appear in public and gives advice in the field of education.

Saulo Moreira: This 70-year-old urologist was the physician who cared for Italia, the president's mother, who died last December. He is one of the people most involved in formulating Itamar's "marketing." He reads newspapers and magazines and informs the president

about articles of interest to the administration. He arms Itamar in the war against the high price of medicines.

Mauro Durante: A loyal follower of the president, 49-year-old Durante was his chef de cabinet in the municipal government of Juiz de Fora from 1967 to 1971. It was his idea for Itamar to give public audiences at the city hall. He tries not to get involved in cabinet crises, but he has dinner with the president every evening in order to assess the day's events.

Roberto Medeiros: The alternate for Senator Junia Marize (PRN [National Reconstruction Party], Minas Gerais), attorney Medeiros, 70, has been unable to achieve his dream of becoming a senator. At his request, Junia was invited by Itamar to be secretary of federal administration, but she declined. He tried to influence appointments to the administration's second echelon by giving the president a dossier against the head of the Post Office, Jose Carlos Rocha Lima, who is still in that post. He is director of Telemig, the Minas Gerais telephone company.

Geraldo Farias: Farias, 65, is Itamar's private secretary. It is he who handles the president's personal problems. He lives with Itamar, does his supermarket shopping, and is in the habit of informing him of price increases. During the impeachment process, he was accused of receiving checks from a "phantom." But he escaped unscathed. The checks in question had been made out to someone with the same name as his.

After working hours, Itamar usually has dinner with Mauro Durante, Ruth Hargreaves, Saulo Moreira, Geraldo Farias, and Jose de Castro Ferreira. The group goes to the president's home in Lago Sul, has soup (one of the president's favorite dishes), and then assesses the day's events and discusses the administration's actions and plans. Roberto Medeiros does not attend those dinners because he lives in Belo Horizonte. Although seemingly united, the "Loyalty Group," as Castro Ferreira has christened it, has its fissures. The main one involves the triangle consisting of Hargreaves, Mauricio Correa, and Castro Ferreira. Hargreaves, whose job it is to act as a bridge between Congress and the executive branch, tries to impose his policy of putting together alliances with the parties. In the vote on the IPMF [expansion not given], which was taken last week during Carnival, he joined moribund Minister Paulo Haddad in negotiating the bill's passage by the Senate. He won, since the tax increase and the IPMF [provisional tax on financial operations] passed by a vote of 66 to eight. He tried to use his prestige to ensure Haddad's survival but failed. He lost that gamble to Castro Ferreira and Mauricio Correa.

* Army Minister Discusses Wage Issue, Priorities

93SM0213A Rio de Janeiro MANCHETE in Portuguese 20 Mar 93 pp 82-84

[Report on interview with General Zenildo de Lucena, Minister of Army, by Murilo Melo Filho, in Brasilia, date not given: "The Army Is United and Quiet in its Barracks"]

[Text] *At "Fort Apache," Brasilia Urban Military Sector, Army General Zenildo de Lucena spent 90 minutes with MANCHETE in an exclusive interview—something that he grants very rarely. The result was an informal conversation during which the general and minister discussed his service's problems and the current Brazilian situation.*

[Melo Filho] Are the military dissatisfied with their pay?

[Lucena] Just recently a great effort has been made in President Itamar Franco's administration to rehabilitate military pay and the pay of civilian government employees. But the inevitable inequalities are still with us, as are the tremendous difficulties involved in achieving ideal and perfect equality of treatment. The distortions are conspicuous, but they are gradually being corrected with a tremendous sense of justice. The fact is that the military lost a great deal of purchasing power under the previous administration, and basically, all they want is the right to a respectable life for themselves and their families.

[Melo Filho] Do you acknowledge the existence of protest movements?

[Lucena] They do exist. A meeting of reserve officers was scheduled at the Military Club, and the only reason it was not held was the power outage. Such movements are natural and a part of democratic order in which there is free and open debate on all problems. But when I inspect a military unit, as has been happening frequently, I see high morale and respect for the chain of command on the face of every soldier—from the generals down to the enlisted men. With more than 40 years of military life behind me, I am experienced enough to recognize the existence of that state of mind in each of my subordinates.

[Melo Filho] How are things in the barracks?

[Lucena] The Army is united and quiet in the barracks, carrying out its professional missions as set forth in the Constitution. It does not interfere in political matters, which have been wisely entrusted to party-political leaders of recognized competence. In the recent crisis involving the impeachment of President Fernando Collor, we gave a magnificent example of wisdom, maturity, and democratic coming of age: the tanks stayed in the barracks, and the solution was found within the constitutional framework. I hope to God that just as I received a united and cohesive Army from my predecessor, so I will be able 20 months from now to pass on to my successor a united and cohesive Army that will have operated during that period under the leadership of President Itamar Franco, commander in chief of the Armed Forces.

[Melo Filho] How do you analyze the way in which the current economic policy is being implemented?

[Lucena] I believe that President Itamar Franco is competent to lead the country throughout this transitional period. All of us must recognize the terrible legacy left for him to administer. We have just a few months of administration in which to put our house in order and resume development. That job is not one solely for the president

and his ministers, because it belongs to all of Brazilian society. Everyone must make his contribution to help the country achieve its common objective.

[Melo Filho] Generally speaking, how does the Army view the current situation in Brazil?

[Lucena] With natural concern but not with fear. There are snags and difficulties, but they can be overcome with sacrifice and commitment on the part of everyone, and the Army is not indifferent to them. On the contrary, it is involved in them. The Brazilian Army today is completely different from what it was during the Cold War.

[Melo Filho] Is there military opposition to Itamar Franco's administration?

[Lucena] No, it does not exist. At most, there are small and isolated movements among reserve officers who are demanding better pay. Such movements have always existed, and they always will exist.

[Melo Filho] What is your personal opinion of President Itamar Franco?

[Lucena] During these few months in which we have worked together more closely and been in closer contact, I can say that I have personal respect for him. I trust his actions as an honorable, honest, well-intentioned man with clean hands. It is a mutually respectful relationship in which he has handled, with close attention and a great determination to take care of them, the military problems I have submitted to him for a decision.

[Melo Filho] Do you favor the establishment of a Ministry of Defense?

[Lucena] I am in favor of greater integration of the Armed Forces, especially as a matter of economics. That integration must begin in the areas of logistics and training. There must be integration, not merely juxtaposition.

Bringing that idea to maturity may lead to the establishment of a Ministry of Defense as a natural, practical, and economic solution.

Gen. Zenildo then discussed his ministry's most urgent problems and its priorities: savings in expenditures, the reshuffling of battalions (for example, moving the one in Petropolis to Alto Solimoes), and reductions in postponable expenditures so that there will be no shortage of funds for important sectors such as food and maintenance in the barracks, armament, troop training, scientific and technological sectors, military hospitals, and border garrisons.

[Lucena] Minister Mauricio Correa accompanied us just recently on a trip to the Surucucus Platoon in the State of Roraima and was thrilled by the work we are doing there. He confessed that it was the second-biggest thrill—after his presence at the graduation of 450 officer candidates at the Agulhas Negras School—of his five months in the Ministry of Justice. When you get down to it, the only people there are the military, the Yanomami Indians, and the gold prospectors, and we are trying to manage relations between them as well as we can.

The men in the goldfields and the Indians are Brazilians who want to work and live, and they must live together. There is a need to ensure coexistence between them, Funai [National Indian Foundation], the Army, and the environment.

Each of our platoons on the border functions as a guardian of the sovereignty of Brazilian territory, as a center of logistic support in the fight against the narcotics traffic, and as a Brazilian presence in the Amazon wilderness.

Compulsory military service and the reserve training centers have improved the soldiers' level of training. And they are all active in civil defense.

During the second half of this year, at President Itamar Franco's request, we will establish reserve training centers in needy towns to help the government pay its social debt to the country's poorest inhabitants. Just this week we will sign an agreement with Minister Jutahy Magalhaes to open the first six reserve training centers in the North and Northeast Regions, the State of Tocantins, and northern Minas Gerais. We already have 215 reserve training centers operating throughout the country for the purpose of providing military training. But from now on, they will also operate in the social area through activities concerned with community action, examples being schools, athletic events, and civic and social movements.

We are also participating in the distribution of food, an example being the 30,000 metric tons of surplus beans, and in the construction of low-cost housing. We are helping in the fight against poverty because the possibility of turmoil is the big threat to national security.

We also cooperate, through our engineer battalions, with the Ministry of Transport and the DNER [National Highway Department] in building roads and railroads that are important for moving products. An example is the railroad that will link Guarapuava and Cascavel.

Besides that help with social projects, the Army is also engaged in activities concerned with its ultimate purpose, which is basically the defense of national sovereignty. The country exists, whole and complete. We have never lost a single centimeter of our territory. We are very proud of this, because that unity owes a lot to the Army.

We struggle with insufficient equipment and materiel. Our officers pay the price involved in constant movement, since they are forever being transferred to serve in the country's most distant garrisons, but at the same time they become familiar with almost every part of Brazil from one end to the other.

[Melo Filho] How is the Calha Norte Project coming along?

[Lucena] The Navy and Air Force are also involved in that project, which is being coordinated by the Secretariat of Strategic Affairs. It is coming along very well, considering what is possible and the lack of funds. We should have more posts on the northern border, with from 40 to 50 soldiers at each one.

[Melo Filho] You strike me as being an optimist.

[Lucena] I am. Brazil has too much potential for us to be pessimistic. I sincerely believe that it is possible for us to overcome the current situation and move ahead into the future. Not much is needed for that to happen. [end of interview]

Who Is General Zenildo?

This native of Pernambuco with tanned complexion was born in the modest town of Santo Bento do Una. A fan of Rio de Janeiro's Vasco da Gama Soccer Club and now 62 years old, he is a simple and human military man with discreet energy. When he was invited to become a minister, he was one of the youngest members of the Army High Command, having joined it on 15 March of last year after serving only one and a half months as head of the Eastern Military Command, a position to which he had been appointed by his predecessor in the Ministry of Army, General Carlos Tinoco. He intended to end his military career in Rio de Janeiro, where his daughter Valeria, son-in-law Eduardo, and three grandchildren live ("I am a Rio de Janeiro native by adoption"), but was unexpectedly asked by President Itamar Franco to be his minister of Army.

"I was not expecting that distinction. I was even frightened by it. Just the evening before, I was still asking advisers such as Colonel Barroso here who would be the new minister. Little did I know that I was talking about myself."

Being a cavalry officer, his greatest personal pleasure is horseback riding. He also likes to sail. He owns a small sailboat on Lake Brasilia. He reads a great deal—frequently three books at a time. He is also an excellent family man and a grandfather who is crazy about his three grandchildren in Rio de Janeiro (Roberta Maria, Regina Maria, and Eduardo) and his grandson in Campinas (Jose, or "Zezinho"), the son of his other daughter, Renata, who is married to engineer Renato Pinheiro.

He and his wife Maria Edith, an active lawyer, live in the minister of Army's official residence, which both consider too big and too much work for just two people.

Toward the Army he feels the gratitude that is appropriate for a poor boy from the Northeast who, thanks to his effort, dedication, and work, rose step by step through every level of the chain of command until he reached his current position as head of the Army.

* Interaction Within Juiz de Fora Group Viewed

93SM0208A Sao Paulo VEJA in Portuguese 10 Mar 93 pp 24-27

[Article: "The Palace Court"]

[Text] *The Juiz de Fora group that lives around Itamar makes suggestions more than it actually influences matters, and it loves internal squabbling.*

Mauricio, Jose, Henrique, and Mauro like to talk at the end of the day. Every day they meet for coffee or juice—and cheesebread. The place where they meet is the office of the president of the republic. They usually enter without being announced, and they call the occupant "Itamar" or use the informal word for "you." Because of their shared past, the four can exchange nostalgic impressions of life in Minas Gerais in decades past. Because of the "court" they form around the president, they can be the very first to know about the resignation of the minister of finance. Minister of Justice Mauricio Correa and Jose de Castro Ferreira, general counsel of the Union, are lawyers whose life consists of whispering suggestions about everything in Itamar's ear. Henrique Hargreaves is minister-chief of the Civilian Household of the Presidency, and it is his job to organize and distribute government jobs on the basis of political expediency and to dispel intrigues. Mauro Durante, secretary general of the Presidency, is less given to making suggestions, but he is omnipresent: he is Itamar's veritable shadow. Together, those four men do not shape Itamar's thinking, but they are in the habit of applauding his decisions and creating a tremendous nuisance in the palace.

The group gives the impression of being the old gang which, after all these years, is getting back together and resuming its old friendship. That is only an impression. Mauricio does not like Jose, and he goes to no great pains to hide the fact. At the end of last year, in response to a request from the president, Jose wrote a decree freezing the pharmaceutical industry's prices. "That is completely unconstitutional, Itamar," Mauricio argued, thus burying Jose's work. Henrique also criticizes Jose. At the very start of the administration, Jose wrote a confused decree setting standards for increases in the price of public services. Its only practical effect was to spread panic among businessmen concerning a new price freeze. "I have never seen such a botched piece of work" was the needling comment by Henrique. Things are also bad between Mauricio and Henrique. "If he can, he will push the administration to the right. He sees communists everywhere," says Mauricio in private conversations. "The administration's problem is that Mauricio has too much influence on Itamar," Henrique told a friend last week. The only one who stays out of those niggling quarrels is Mauro. He does not vie for chunks of power around the president and prefers to give his opinion only when asked. Otherwise, he confines himself to telling Itamar everything he knows. There are quarrels, but the dominant tone within the cheesebread group is that of geniality. Itamar listens to them patiently. But he only pays attention to what interests him.

"What happened to Jose?"—The various roles in the "court" are clearly divided up. Mauro Durante is experienced in working with Itamar. He was chief of Itamar's civilian household in the municipal government of Juiz de Fora in 1967, and he even writes Itamar's personal letters. Mauricio Correa is the minister who gives opinions and who has known the president since 1975, when he was a defense attorney for political prisoners. Henrique Hargreaves is the operator who sponsors politicians for posts of the state machinery, something he has specialized in by applying Jose Sarney's policy of "it is by giving that one receives." His ties with Itamar go back a long way. His father, Raimundo Hargreaves, was Itamar's leader on the

Juiz de Fora Municipal Council. Lastly, Jose de Castro also gives his opinions. He had political disagreements with Itamar in the 1970's, but now he is the president's hatchet man. His criticisms of and attacks on the ministers are messages from Itamar. Of the group as a whole, Castro is perhaps the most influential, or at least the assistant that Itamar likes to place in the center of events. During an interview with the newspaper O GLOBO on Thursday, Castro expressed severe criticism of Antonio Barros de Castro, president of the BNDES [National Bank for Economic and Social Development], causing the latter to resign. For months it had been his job to work with the president of Eletrobras, Eliseu Resende, who has now been made minister of finance. Based on the chain of command, Resende should have been working with Paulino Cicero, minister of mines and energy, not with the general counsel of the Union.

"It is natural that the president should have a group of people who are loyal and close to him and who are with him throughout his life," says Deputy Raul Belem of Minas Gerais, another of Itamar's close associates. No president governs without listening to a group of advisers who may be competent or mediocre. In Jose Sarney's administration, his former son-in-law Jorge Murad and his Minister of Justice Saul Ramos made up that group. With Fernando Collor, there was the "Republic of Alagoas," which was skillful in making suggestions and extremely skillful in breaking into the Treasury. The thing that attracts attention in the case of the Juiz de Fora group is that it does not constitute a group of advisers. It is a divided "royal court" that confines itself to applauding the ideas presented by Itamar, and it has taken on the appearance of being united and working together only at the insistence of the president, who likes to have the group around him. At a cabinet meeting in December, Jose de Castro left the Oval Room, and Itamar immediately noticed his absence. He could not contain himself: "Jose de Castro, what happened to Jose de Castro?" he asked, looking around in every direction. There was silence in the room. Minutes later, with everyone still silent, Castro entered the room. "Where were you? People only leave like that to go to the bathroom," Itamar said. "That is exactly where I went: to the bathroom," the lawyer answered. There was a burst of laughter in the Oval Room.

"Head up"—The president does not choose a time or place for surrounding himself with the four. In the apartment next to his office, Itamar has had his friends sit on his bed to discuss the administration's problems. In dealing with the four, he does not behave like an impatient and haughty chief. He has never scolded them in public, and he does not worry about their constant wrangling among themselves. When he got the idea of recommending the return of the Volkswagen "Bug," Itamar talked to no one except Augusto Marzagao, the adviser in charge of communication for the administration. The four also lack the power to dissuade him from a few of his fixations, one of which is his habit of talking to reporters when he enters the palace in the morning. Hargreaves has tried on innumerable occasions. Even so, the group alarms politicians and even ministers, who believe that it exercises decisive influence on the president. Last Thursday, Senator Humberto Lucena (PMDB [Brazilian Democratic Movement Party], Paraiba) had eight colleagues to dinner at his home to discuss a way of neutralizing the four. Among those present were Senator Pedro Simon (government leader) and Minister of Social Welfare Jutahy Magalhaes, Jr. "We must get closer to the president in order to give him the political support he needs," says the PMDB leader, Senator Mauro Benevides, who was also one of the guests.

"I do not influence the president's decisions, and I only say what I think when the president wants to know. If he asks, I answer. If he does not ask, I keep quiet," says Minister Mauricio Correa. But that is not exactly true. During Carnival, Mauricio Correa went to Olinda with Itamar and spoke with an unknown economist who is related to Marcos de Vincenzi, chief of protocol at Planalto Palace. During the trip back to Brasilia, Correa discussed that conversation with Itamar and made suggestions. "He said you should appoint Rocca to the Ministry of Finance," the minister remarked, referring to businessman Carlos Antonio Rocca, president of Mappin. Itamar said that he had already asked the businessman once. (What actually happened was that at Itamar's request, Fleury had sounded Rocca out, and Rocca had ruled out the possibility of becoming minister of finance.) Then the name of another businessman, Paulo Cunha of the Ultra Group, came up. "I have asked him twice," said Itamar. "Okay, but the economist said that some kind of change is necessary," Correa responded. Another of his specialties is giving the president encouragement. On Wednesday evening, Itamar was depressed by the government crisis. Noticing his state of mind, Correa began to speak up at the cabinet meeting. "Calm down, Itamar. Everything will turn out all right. You will see. Head up." The president feels comfortable with blandishments of that kind.

Cheesebread—Like Itamar Franco, the four are all from Minas Gerais and are between 50 and 60 years of age. They all had a poor childhood and moved from Minas Gerais to Brasilia early on. Despite their similar biographies, it is possible that Itamar did not plan to make those four his most intimate group. They were appointed to very different posts, but a number of coincidences helped turn them into the palace court. One was their proximity to the president's office. Minister Mauricio Correa is the only one who works outside Planalto Palace, but even his office is only 200 meters away. All four administer structures which are light in terms of bureaucracy. The three who work in the palace do not have huge budgets to administer, nor do they have to cope with multitudes of employees. Even the minister of justice enjoys that advantage. His ministry is large, but a good share of it—the Federal Police and Funai [National Indian Foundation], for example—operates without requiring his direct attention. As a result, the group has time to pay court to the president and stir up trouble. In February, knowing that Itamar was fed up with Paulo Haddad, Hargreaves went so far as to call in the Federal Revenue Office, Conab [National Supply Company], and Sunab [National Supply Superintendency] to plan the monitoring of supermarket prices. Haddad was in

the United States, and Hargreaves wanted, by means of that interference, to coerce the minister on the latter's return.

Haddad's resignation called attention to the Juiz de Fora group. But the phenomenon is an old one. Former Minister of Finance Gustavo Krause, who spent 75 days in that post, was never able to talk to the president alone. On one occasion, Haddad and Krause tried to get a private meeting with Itamar. "Mr. President, we need to have a very serious talk with you," Krause said, signaling that Secretary Durante should leave the room. Itamar answered: "Why of course, certainly. Durante will stay and act as secretary for the meeting." Durante listened silently to the conversation among the three men, during which former Minister Haddad submitted his resignation for the first time but was dissuaded by Krause from going through with it. In one conversation, Krause complained to Haddad: "The president must know that an economic plan is not sketched out in meetings involving more than four people. It leaks out. He should not let those palace people be in the office for every meeting." "Palace people" was Krause's name for Mauricio, Jose, Henrique, and Mauro. If it is any consolation, the Juiz de Fora group now has to have itself announced before entering the office. As a result of that decision by Itamar, the coffee and cheesebread sessions at the end of the afternoon have been temporarily suspended.

Jose de Castro

At the start of his obscure career as a politician in Juiz de Fora, the general counsel of the Union, Jose de Castro Ferreira, now 58 years old, took a stand opposing that of Itamar. In 1972 he opposed Itamar's candidacy for reelection as mayor. They were reconciled in 1989, and he is now Itamar's hatchet man. His statements criticizing ministers serve as Itamar's threats of dismissal. That was the case with the former president of the BNDES, Antonio Barros de Castro, who resigned following a legal attack by Castro.

Mauricio Correa

Minister of Justice Mauricio Correa is the only one of Itamar's four friends who does not have an office in Planalto Palace. That is a minor detail. A rival of Jose de Castro and Henrique Hargreaves, Correa enters the president's office without knocking and encourages him to scold other ministers. That was what happened in Paulo Haddad's case. Now 58 years old, married, and the father of three daughters, this native of Manhuacu, Minas Gerais, was once president of the OAB [Brazilian Attorneys Association] in Brasilia. He met Itamar in 1975 when he was defending political prisoners. A member of the PDT [Democratic Labor Party], he supports Brizola's interests within the administration.

Henrique Hargreaves

Henrique Hargreaves, minister-chief of the Civilian Household of the Presidency, is 56 years old. He joined the administration following two decades in the Chamber of Deputies. As a result of spending so much time studying its internal rules and harmonizing the interests of congressmen, he has became an expert in expediting things. His job is to coordinate the flood of requests from politicians seeking jobs in the state machinery for their proteges. Hargreaves has experience in that field. A former adviser to Sarney, he has refined the policy of "it is by giving that one receives."

Mauro Durante

Attorney Mauro Durante, secretary general of the Presidency, is 48 years old and married with one daughter. He has worked with Itamar—they are both from Minas Gerais—since 1967, when he was chef de cabinet in the Juiz de Fora municipal government. Discreet and soft-spoken, he is the friend who spends the most time with the president in Planalto Palace. His office is separated from Itamar's only by a door, which he enters an average of 10 times a day. It is rare for Itamar to receive ministers without Durante's being present. Durante writes Itamar's personal letters.

Jose Who?

President Itamar Franco pays very close attention to everything that Jose de Castro Ferreira, general counsel of the Union, says. He calls him on the telephone several times a day to ask his opinion. Outside Planalto Palace (and perhaps outside Juiz de Fora), almost no one knows Castro or wants to talk to him. Last Thursday, VEJA telephoned businessmen, politicians, religious leaders, presidents of multinational companies, and diplomats and pretended to be calling from Castro's office. The "secretary" doing the calling identified Castro, said what his job was in Brasilia, and claiming that the matter was urgent, asked that the other person return the call. Of the 16 persons contacted, only three had responded by Thursday evening, and they did so merely because they were curious to know who Jose de Castro was. "I do not know him, have never seen him, and do not know anything about him," said Carlos Apolinario, president of the Sao Paulo State Legislative Assembly. "I only returned the call because I thought the individual wanted to give me some information." Besides Apolinario, two businessmen also returned the call: Eugenio Staub of Gradiente and Roberto Maksoud of the Hotel Maksoud Plaza. An intrigued Maksoud asked his secretary to find out who Castro was.

At the SBT [Biotechnology Secretriat], Silvio Santos' secretary did not even turn off the electronic machine to take the message personally, as she does in the case of important telephone calls. And the secretary to Roberto Leal, rector of the USP [University of Sao Paulo], refused to give him the message. "He is out of the country, and I only tell him about important telephone calls," she said. Japan's consul general in Sao Paulo, Yutaka Nakamura, did not return the call, either. The reaction by Bahia businessman Mamede Paes Mendonca of the Paes Mendonca supermarket chain was more enlightening. His secretary informed him that "Jose de Castro, a government lawyer over there in Brasilia, wants to talk to you." Mamede answered in a loud voice: "Who is Jose de Castro? Tell him to call our office in Sao Paulo."

Chile

Right-Wing Party Willing To Change Electoral System

PY1204203993 Madrid EFE in Spanish 1625 GMT 12 Apr 93

[Text] Santiago de Chile, 12 Apr (EFE)—The Independent Democratic Union, UDI, which is considered to be General Augusto Pinochet's political heir, is willing to modify the binominal electoral system that may lead the right to catastrophe in the December elections.

The binominal mechanism was proposed to the military regime by the UDI itself. Through it the right could maintain a solid position with one-third of the votes, and was able to restrain the constitutional reforms proposed by the ruling Coalition of Parties for Democracy, CPPD.

Deputy Pablo Longueira, who is also the UDI vice president, stated that this system "has discredited politicians" and "compels the parties to make arrangements neglecting principles to ensure their presence in Congress."

The UDI has negotiated an alliance with the Center-Center Union, UCC, led by businessman Francisco Javier Errazuriz for the elections. This decision was rejected by the National Renewal Party, RN, its allied and main rightist party.

The 8 percent of the votes the polls give the UCC will be a key factor in the elections because, in case of an alliance with the CPPD, the latter will obtain more than 90 of the 120 seats in the Chamber of Deputies and increase its representation in the Senate, while the right will virtually disappear from Congress.

The RN, however, rejected the idea to change the electoral system, which, according to RN Secretary General Roberto Ossandon, has been important for Chilean political stability.

This mechanism divides the country into 60 districts that elect two deputies each and 19 constituencies that elect two senators, plus the additional eight designated by Pinochet before he left power in March 1990.

A party or coalition must have more than 66 percent of the votes to obtain the two seats in a district or constituency.

The CPPD, which obtained 60 percent of the votes in 1989, has 72 deputies and 22 senators, which is insufficient to obtain approval of the constitutional reforms that progressive groups and the government term necessary to consolidate democracy.

The reforms are mainly designed to do away with the appointed senators and the unremovability of Armed Forces members; to change the Constitutional Court, whose members were appointed by Pinochet; and to change the binominal electoral system to a proportional one.

Recent polls reveal that rightist presidential hopefuls Manuel Feliu, (RN); Jovino Novoa, (UDI); and independent Jose Pinera together have obtained 4.8 percent of intended votes.

CPPD hopefuls Eduardo Frei and Ricardo Lagos have received 37.1 percent and 21 percent, respectively, and "centrist" candidate Errazuriz, 4.5 percent.

Colombia

DAS Arrests EPL Finance Chief

PA1304031193 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 13 Apr 93

[Text] The DAS [Administrative Department of Security] dealt a new blow to the rebels on 12 April in Cucuta. After intense intelligence operations, DAS members arrested a key member of the dissident movement of the EPL [Popular Liberation Army].

(Jerson) Parada Rojas, also known as Carlos, finance chief of the EPL in the northeastern part of the country, was captured by DAS members during an operation staged in the center of Cucuta.

According to the authorities, Parada Rojas is charged with blackmail, extortion, and kidnapping operations against businessmen in Norte De Santander Department.

[Begin Henry Navarro, DAS director in Norte De Santander Department, recording; identified by caption] He is the finance chief of the EPL in Norte De Santander Department, therefore, he is a key man of the EPL on a nationwide scale. [end recording]

At the time of his arrest, Parada Rojas had blueprints of the old Modelo Jail and EPL propaganda.

Thus far in 1993, DAS members have arrested or killed seven EPL members.

Prosecutor Drops Inquiry of Roberto Escobar

PA1204201193 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 12 Apr 93

[Report by Diego Alonso Sanchez]

[Text] A few hours ago the Prosecutor General's Office ordered the suspension of the investigation of Roberto Escobar Gaviria, brother of drug boss Pablo Escobar, for the offenses of conspiracy and illicit contribution. Sources at the Regional Prosecutor's Office in Atioquia Department revealed that the order to suspend the investigation of Roberto Escobar, who is currently being held at the Itagui maximum security prison, was given because of lack of evidence in both cases.

The office warned that he will not be released because he is still undergoing an investigation stemming from the 22 July incidents at La Catedral Jail in Envigado, where he, his brother, and eight other inmates escaped. In this respect, the investigation deals solely with the incidents of that day and are related to the crimes of extortion, kidnapping, illegal weapons possession, and escape.

A regional judge set 27 April as the date for a special hearing to conclude ahead of time the proceedings against Jose Otoniel Vanegas Perez on the charge of drug

trafficking. Vanegas is currently being held at Itagui prison with the Ochoa Vasquez brothers.

Official on Government Plan To Retrain Dismissed Employees

PA1204215393 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 12 Apr 93

[Interview with Luis Fernando Ramirez, labor and social security minister, by Ana Fernanda Valderrama at Narino Palace in Santa Fe de Bogota on 12 April—recorded]

[Text] [Valderrama] A few minutes ago, President Cesar Gaviria Trujillo swore in the Labor Training Service for the Public Sector [Servicio de Adaptacion Laboral del Sector Publico]. This is an interinstitutional commission that seeks to create 500,000 jobs for those employees who will lose their jobs as a result of state modernization decrees. Mr. Ramirez, do you think the announcement is meant to avert the nationwide strike by public employees set for 14 April?

[Fernandez] The process to internationalize the Colombian economy has led to job growth. The unemployment rate is dropping. New jobs have been created. The private sector can easily create from 400,000 to 500,000 new jobs in one year. The private sector can absorb perfectly well 10,000 state employees who will be dismissed in one year, for example. In addition to receiving compensation, we want these employees to attend a social and labor training program. They will be retrained. We will promote the creation of small businesses. We want to encourage them to become entrepreneurs, to become involved in the private sector of the economy, and to begin to produce goods and services. I hope they will endeavor to work in the export sector. It is much more productive for the Colombian economy to have small businessmen than state employees in offices who are no longer needed.

Ecuador

Government Spokesman on Withheld Social Security

PA1304011393 Quito Voz de los Andes in Spanish 2300 GMT 12 Apr 93

[Report by Francisco Sanchez]

[Text] Jose Vicente Maldonado, Public Administration secretary general and government spokesman, reported that this year the government will not amortize the debt it owes to the Ecuadoran Social Security Institute [IESS] because that debt, a sizable amount, has not been included in the budget or financed. Maldonado added: We are not denying the existence of the obligation, but legal mechanisms will be sought to reach an agreement with the IESS.

[Begin recording] [Maldonado] The government has never denied the existence of this obligation, which consists of social security payments withheld from workers since 1985. The minister of finance has confirmed the obligation. The amount is not, and will not be, included in the 1993 budget. I wish to take the opportunity to stress this fact. It is not a cash flow problem involving this particular money. It is a IESS organizational problem. If those in charge of managing the IESS fail to make quick and bold decisions to update the institution both financially and administratively, the IESS will remain in this difficult situation.

[Unidentified reporter] What if the IESS is not updated and the obligation is not amortized?

[Maldonado] We see the IESS modernization very clearly in our minds. It is possible to demonopolize the social security system in the country with the participation of the workers. If the institution has to compete with private industry, the IESS might be forced to use the workers' funds more efficiently. The government's obligation to the IESS consists of money withheld from government workers. I would like to ask them if they want this money given to the present IESS, which cannot distribute it back to them on a daily basis. [end recording]

Paraguay

Rodriguez-Menem Meeting Postponed Over Pilcomayo Dispute

PY1304023393 Asuncion RPC Television Network in Spanish 0009 GMT 13 Apr 93

[Text] The meeting between Paraguayan President Andres Rodriguez and his Argentine counterpart, Carlos Menem, at the Yacyreta Binational Hydroelectric Dam construction site scheduled for 13 April has been suspended. After visiting President Rodriguez at his residence this afternoon, Paraguayan Foreign Minister Alexis Frutos Vaesken explained the situation.

[Begin recording] [Unidentified reporter] What was the outcome of your meeting with President Rodriguez?

[Frutos] Undoubtedly we discussed the issue you all are anxious about, that is, the meeting the president was to have at Yacyreta tomorrow. I am saying was to have because the two parties have agreed to postpone the meeting.

[Reporter] What is the new date?

[Frutos] You see, we do not really have another date. I will explain the reasons for the postponement, and it will be clear to you why we have no date set. The meeting has been postponed because the commissions that are working in Buenos Aires—as you know Antonio Felix Lopez, international economic relations under secretary, and Jose Maria Fernandez, the Foreign Ministry's general director, (?went) there today—have been unable to reach an agreement that would satisfy Paraguay. Therefore, since there is no satisfactory agreement we felt it appropriate to postpone the meeting, and have agreed to do so with the Argentine Foreign Ministry.

[Reporter] Have you been in touch with President Menem?

[Frutos] Not with President Menem, but I have talked with Foreign Minister Di Tella once or twice.

[Reporter] What does this imply, as far as the Foreign Ministry is concerned?

[Frutos] It means exactly what I have just said: No agreement has been reached, the negotiations are continuing, and the meeting will take place when an agreement is reached. I do not believe there is any point in having the presidents meeting for a talk while one of the main issues—there is no denying this, namely the Pilcomayo River's diversion—remains unresolved.

[Reporter] This means our Foreign Ministry is still tying the meeting to...

[Frutos, interrupting] Pardon me.

[Reporter] Is the president still tying the meeting to...

[Frutos, interrupting] That is our position and I believe it is fair. We can hardly accept that the river's diversion is irreversible and negotiate on that basis. We are prepared and ready to negotiate in the future on the work that could be done to make the Pilcomayo River a key factor for regional development, but we believe the original status quo must be restored first.

[Reporter] Minister, will all this have an effect on Argentine-Paraguayan relations regarding Yacyreta?

[Frutos] I do not believe so; I really do not. I have just told you that the two parties have agreed to postpone the meeting. The situation is not tense; there is no conflict at this point. [end recording]

That was Foreign Minister Alexis Frutos Vaesken after the visit he paid to President Rodriguez' private residence this afternoon. The visit yielded an announcement: Rodriguez and Menem will not meet at the Yacyreta Binational Hydroelectric Dam construction site on 13 April.

Colorado Candidate on Lack of Government Material Support

PY1204161793 Lambare Paraguay Radio Cardinal in Spanish 1000 GMT 12 Apr 93

[Text] Colorado Party members have requested more support from President Andres Rodriguez in the election campaign. Colorado Vice Presidential candidate Angel Roberto Seifart said that it is impossible to obtain more material support from the government because there is great control by the opposition parties. He nonetheless said that the president personally supports the party.

[Begin recording] [Seifart] As we all know, it is currently impossible to obtain material support from the state apparatus. We are not living in the past regime or under the 1940 or 1967 constitutions. The democratic state of law under which we live now is sufficiently controlled by all the opposition parties so as to prevent any official support for any groupr.

[Unidentified reporter] What kind of actions do you think he referred to?

[Seifart] I do not know. I have not heard that statement. Now, anyone, even General Rodriguez, has the right to have a favorite candidate. That is natural, as in any democracy in the world. Now, this does not mean we will receive material support from the state. I sincerely do not think that is possible. We did not receive any material support so far, and I think we will not receive it, because the situation is difficult.

[Reporter] How are things? Is the president helping or not helping the party?

[Seifart] I know we have his personal support, I know he is a Colorado. But the alleged support of the state apparatus, I have so far not seen it. [end recording]

As for the resumption of campaign activities after this Easter holiday and the work the Colorados will carry out in the less than 30 days before the general elections, Seifart said:

[Begin recording] Yes, the Colorado people are very disciplined, and organized, so I think 30 days are enough, as long as we overcome the differences that remain from the last internal party elections. [end recording]

Integration Minister Says Colorado Party Cannot Win Elections

PY1204160693 Asuncion NOTICIAS in Spanish 12 Apr 93 p 7

[Text] Integration Minister Horacio Galeano Perrone yesterday said that under the current circumstances, the Colorado Party cannot win the general elections on 9 May. He said the party has come to the elections totally destroyed as a political organization.

Galeano Perrone made these statements during the "Political Operator" radio program on Radio Cardinal. During the program, it was learned that his name was not included on the list of presidential hopefuls last year because a group of politicians simply did not respect the result of a scientific poll prepared last year by the government, which showed that Galeano Perrone was the best placed politician in the eyes of the Colorado public.

Galeano Perrone said that President Rodriguez was poorly advised, because 2 and 3 February should never have begun a transition period but rather a revolutionary period, whose leader should have been the current chief of state.

He said that Stroessnerism has continued after 1989 and that Rodriguez possibly did not understand this. The chief of state, Galeano Perrone said, was possibly very naive politically given that during the process no policy between the Colorado Party and the government was developed. Under these circumstances, there was no way to recompose the Colorado Party, given that the internal election process destroyed the party. Regarding the current confrontation between Education Minister Raul Sapena Brugada and the Colorado Party leadership, Galeano Perrone said that things should be managed more tactfully and that the confrontation will be solved "in the weakest point" considering the current election situation.

Peru

Fujimori on World Bank Loan, Foreign Investment Program

PA1304043493 Lima Global de Television Network in Spanish 0100 GMT 13 Apr 93

[Text] After inaugurating a school complex in Villa El Salvador, President Alberto Fujimori reported that the World Bank has granted Peru a $250 million loan.

[Begin Fujimori recording] I have truly encouraging news, similar to the news provided by Matsushita Corporation. The World Bank has approved a $250 million loan to support Peru's reconstruction process. [end recording]

This was the most important announcement in Fujimori's speech in which he inaugurated a school complex in the heart of Pachacamac, a complex built thanks to the assistance of the Japanese corporation Matsushita. President Fujimori said this is the type of project that people tired of promises want, projects that lead the country to the pacification so deeply desired.

[Begin Fujimori recording] I could not pass up the opportunity to visit Ayacucho, to participate in its procession, and to confirm the results of the sound national pacification program. These are specific results, attained in areas previously devastated by terrorism. This situation not only includes Ayacucho, but Huancayo, Huaraz, and every other attractive place in Peru. [end recording]

After the ceremony, Fujimori and Hiroyuki Baba, executive president of Matsushita, toured the school complex. The president asked the students some questions in one of the classrooms.

In addition, Fujimori described as cheap politicking the opposition's groundless objection to foreign investment through the immigration-investment program.

[Begin recording] [Fujimori] This immigration-investment program, which people of other nationalities can take advantage of, intends to attract generally medium-scale investors. The idea is not only that these immigrants can become Peruvian citizens through a nonreimbursable contribution of $25,000, but it is to take advantage of the fact that a person who has $25,000 available for nationalization probably possesses $250,000 for investments as well. We have a regulation ready, one on which we have been working for more than a year. My attention has been called to the fact that some politicians groundlessly still resist this investment program.

[Unidentified reporter] What do you have to say about some deputies' reports of large-scale profit in this immigration program?

[Fujimori] The people can rest assured that we are handling this program carefully. I hereby urge my fellow countrymen to ignore all those rumors because unidentified selfish people are trying to prevent the arrival of these immigrant investors. Why not permit the arrival of $250 million? The people are at a loss to explain this opposition. [end recording]

Poll on Minister Camet, Economic Program

PA1204160393 Lima Panamericana Television Network in Spanish 0100 GMT 12 Apr 93

[Text] The latest Apoyo poll prepared for our "Panorama" program yielded the following results: 33 percent of the people interviewed disapprove of the work done by Economy Minister Jorge Camet, 29 percent approve, and 38 percent expressed no opinion.

With regard to the current economic policy, 44 percent of the people polled disapprove of its implementation and 41 percent approve. The results prompt concern because, although the approval rate continues to be high, a negative trend is beginning to emerge.

The poll results also indicate that the traditionally reserved economy minister will have to take more vigorous actions because people do not clearly perceive who is responsible for the country's economic policy: 36 percent believe Camet is responsible and 33 percent believe the responsibility rests with President Alberto Fujimori.

Regarding the presidential election, which has been at the forefront of the national issues in past weeks, the people were asked how they would vote if there were an immediate presidential election. Their responses were: 48 percent in favor and 29 percent against. On whether they would reelect the current president, the trend continues to favor President Fujimori: 47 percent would vote for him, 35 percent would vote against him, and 18 percent are undecided.

Uruguay

Agreement With PRC Expected To Increase Exports

PY1204162193 Madrid EFE in Spanish 2040 GMT 11 Apr 93

[Text] Montevideo, 11 Apr (EFE)—Uruguayan Foreign Minister Sergio Abreu Bonilla today stated that the recent trade agreements signed in Beijing will help to triple Uruguayan exports to the PRC in the next few years. The annual exports to this country currently total $90 million.

Abreu will meet with members of the Uruguayan Chamber of Industry and Commerce in the next few days to analyze the new prospects and possibility of diversifying exports.

He said the PRC agreed to reduce tariffs on the import of Uruguayan products within the framework of a global policy to reduce protectionism in an attempt to rejoin GATT. Wool, fish, soybean, and rice exports to the PRC are likely to increase.

Abreu also reported that binational investments will be earmarked to implement agricultural projects in Uruguay, especially sobybean oil production.

In August 1988 Uruguay established diplomatic relations with the PRC, which in recent years has become the main buyer of Uruguayan wool.

Economy Minister Views International Credits

PY1204211693 Montevideo Radio El Espectador Network in Spanish 1600 GMT 12 Apr 93

[Report by Waldemar Rojas from Carrasco International Airport, Montevideo]

[Excerpts] Returning from their European tour, Economy and Finance Minister Ignacio De Posadas and Bank of Uruguay [BROU] Chairman Enrique Braga arrived at the Carrasco International Airport shortly before 1300 today after a considerable delay.

They arrived aboard a private plane that belongs to the BROU. Minister Ignacio De Posadas then discussed issues involving the relationship between Uruguay and the international banks over credit assistance. He said that in Europe—in some of the countries he visited—people do not understand why the privatization process in Uruguay was interrupted after it was so successfully implemented in European countries.

Concerning the funds needed to meet the wage demands currently demanded by various segments, the minister emphasized that there are no fresh funds available. He said that despite the demands and the protests by various segments, it will not be possible to meet the demands of the trade unions.

Minister Ignacio De Posadas said:

[Begin recording, in progress] [De Posadas] ... rejected, but, going back to the initial issue, obviously that interest in Latin America has been concentrated in other countries rather than here. That is what has occurred.

[Unidentified reporter] What was your impression of Czechoslovakia [as heard]?

[De Posadas] We learned a lesson there: To refrain from generalizing. We were impressed by the huge damage caused by socialist regimes in the two countries and the great problems being faced by the governments in their efforts to change a statist, over-planned, and freedom-curtailing policy that has left them defenseless in a world of popular development. Those living in Europe may notice the difference with other countries. The sacrifice to which those nations have been subjected will remain for a long time because the reforms involve huge risks. One must learn from these things so as not to provoke well-known maladies [words indistinct]....

[Reporter, interrupting] Mr. Minister, is there any definite possibility of credit assistance for our country?

[De Posadas] We did not seek credit assistance. For the past few years, Uruguay has not had a credit problem. On the contrary, our balance of payments has been favorable for a long time [words indistinct]. We must also bear in mind that there are no credits. We were basically reviewing the trade issue.

[Reporter] Is it necessary to reach a new agreement with the IMF, for example?

[De Posadas] The need, strictly speaking from a technical viewpoint, [words indistinct] with a surplus, a really substantial surplus.

[Reporter] Do you agree that the Inter-American Development Bank, the World Bank, and the IMF should have an interest in financing the retirement project [words indistinct]?

[De Posadas] We raised that issue and are now awaiting their response. [passage omitted] [end recording]

That was Economy and Finance Minister Ignacio De Posadas. He very clearly emphasized that he understands the demands of the workers, but that, unfortunately, the government does not have any funds.

The economy minister also excused himself from discussing the situation at the National University, an issue that will be discussed tomorrow between the university authorities and the president of the Republic. He also preferred not to make any remarks about our country's problems in other fields.

Venezuela

* Oswaldo Alvarez Paz Discusses Candidacy

93SM0202A Caracas EL DIARIO DE CARACAS in Spanish 8 Mar 93 p 29

[Interview with COPEI leader Oswaldo Alvarez Paz by Primero Plano moderator Marcel Granier; place and date not given: "Eduardo Caused COPEI, Social Christian Party, To Lose Its Own Identity"]

[Text] *On Primer Plano, Oswaldo Alvarez Paz spoke of the progress of his candidacy, of how difficult it would be to have to run for president of the Republic against Rafael Caldera, and of the harm that in his opinion Eduardo Fernandez' leadership has done to COPEI.*

On Primer Plano, moderated by Marcel Granier, Oswaldo Alvarez Paz insisted that he would not want to run against Rafael Caldera, whose support he would like to have, now as a candidate and later as president. He criticized the performance of Eduardo Fernandez as head of the party, because in 14 years "COPEI blurred its own identity to a great extent." He advocated the "uninominal" system of representation and the restoration of ethics, attacked the presidential form of government, and spoke of correcting the fiscal deficit.

[Granier] As of the end of 1992 the opposition had virtually only two candidates, Eduardo Fernandez and Rafael Caldera; each was attempting to make the other look as much like Carlos Andres Perez as possible. Fernandez's supporters were saying that Caldera was an old-time politician, a demagogue, a populist, and an interventionist, such as Carlos Andres Perez had been in his first period; Caldera's supporters said that Fernandez was an [economic] neoliberal, such as Carlos Andres Perez was in his second period. (....) This frame of reference was apparently

disrupted with the appearance of a new candidate, Oswaldo Alvarez Perez. Why do you want to be president of Venezuela?

[Alvarez Paz] Because one cannot remain with folded arms when the nation is in the kind of situation in which it now finds itself. You were saying that until recently the opposition candidates were Calderon and Eduardo. Until January of this year nothing had happened that was calculated to inspire great hopes or open a new alternative, a new path, different from the effort that—because it had been seen too often—had failed to stem the deterioration that has occurred on the political scene proper, not to mention everywhere else.

[Granier] In what ways are you different from Eduardo Fernandez?

[Alvarez Paz] The circumstances that he and I experienced over the past 10 years—not to mention the past 14 years—have set us considerably apart with respect to the positions we have taken. I have disagreed with the way COPEI has been run during this period, and we have had very serious confrontations. The period during which Eduardo has headed COPEI—from 1979 until today, exactly 14 years—coincides precisely with the period of the greatest deterioration of Venezuelan politics and greatest loss of prestige by the political parties: the period during which COPEI has blurred its own identity to a great extent, blending in with the other organizations that at the national level have played leading roles in Congress in recent years. If you are the leader of the party, if you control the organization, if you even boast of having had—and having—power that is overly concentrated in the party's National Directorate, then you are one of those primarily responsible for what has been happening.

[Granier] Nevertheless, in the 1988 elections Eduardo Fernandez obtained 40 percent of the vote nationwide, in elections where there were very few abstentions...and until 4 February he was the most popular figure in the opposition.

[Alvarez Paz] I am not unaware of the vote Eduardo received in 1988, but to get 40 percent in an election where there are two candidates—when you are head of the opposition and are running against a government such as that of Lusinchi and a candidate such as Perez—is no cause for rejoicing, for although Perez had strong popular support it is equally true that he was vulnerable on many counts. For 20 years here in Venezuela the opposition forces had not lost elections; the governments had regularly been defeated ever since Caldera's presidency. Now, for the first time since Romulo Betancourt, the government party has retained the presidency of the Republic—a circumstance that does not speak particularly well of the opposition leadership.

Agreements and Disagreements With Caldera

[Granier] In what respects are you different from Caldera?

[Alvarez Paz] I have the greatest respect for Caldera, and that is not just rhetoric. I believe he is one of the most important ethical role models that Venezuelan society has. The crisis of values that exists in our country is basically ethical in nature, and Caldera has always represented the possibility of restoring—or maintaining—the ethical content that our political system should never have abandoned. Another thing that differentiates us are the present circumstances, in which he is trying to find a candidacy of national convergence by means of a plan with which I disagree. Caldera could very easily have sought that candidacy within our party, for I believe the circumstances he cites as being unsuited to that purpose are not real, and that he could perhaps have achieved his objective with the support and assistance of many of us who—on behalf of the unity that is required and on behalf of many things that could have been achieved—could have risen above our other differences of an economic and social character with respect to Venezuela's socioeconomic reality.

[Granier] If Caldera had launched his candidacy within COPEI, would you be supporting him at this moment?

[Alvarez Paz] I would most likely be supporting him, and would also most likely be trying to influence as much as possible the economic and social orientation of his administrative labors. Yes, I would be doing that.

[Granier] What is it you do not like in that economic program?

[Alvarez Paz] The fact that I do not clearly understand—beyond the general thesis of moving toward an opening up of the economy accompanied by social justice—how this could genuinely be implemented in practice. I have on occasion been criticized because I have shown myself to be strongly in favor of a free-enterprise economy, whereupon I am labeled—sometimes in a scornful or almost offensive manner—as an [economic] neoliberal, which is not accurate. We must get the nation to function and act in economic matters using common sense—which is the golden rule for any model—and we must try to design and develop a macroeconomic plan that we will be able to convert into microeconomic programs, so that everything we devise as the master plan for the economy can be translated into the practical components of a higher standard of living for the ordinary citizen, which is definitely the goal of all governmental action. These are points that we must define, because I view Rafael Caldera as being strongly oriented toward statism and he views me as being strongly oriented toward the private sector.

I Shall Be President

[Granier] If you win in the internal election within COPEI, you will have to run against Caldera. How do you feel about that?

[Alvarez Paz] That is what I least desire in life, and I want to reaffirm that the purpose of this struggle is not to challenge Rafael Caldera. I still hope that sooner rather than later we shall be able to discuss these problems in depth. And if I am a candidate for the presidency of the Republic and tomorrow possibly the president, I should in both cases like to have the support and solidarity of Rafael Caldera.

[Granier] Caldera's supporters within COPEI could vote for Eduardo Fernandez in order not to have to run against you in a national election. The AD [Democratic Action] people would feel much more confortable having to compete against Eduardo Fernandez than against you. As far as the government is concerned, it would view a Fernandez administration more favorably than it would an Alvarez Paz administration. The stage is all set for a combination against Oswaldo.

[Alvarez Paz] The stage is set for me to win the nomination and become president.

[Granier] How so?

[Alvarez Paz] The fact that Caldera's supporters can be thinking along these lines, together with many AD partisans and the government, is an indication that I am the enemy to defeat and that they may be attempting to strengthen Eduardo's hand because he is the candidate who would be the easiest to defeat. Within COPEI this is having the effect of multiplying the solidarity and support behind my candidacy, because the COPEI membership does not want to nominate a candidate who will lose. That is not the case where Caldera and his supporters are concerned; thousands of Calderists are obsessed with a desire to defeat Eduardo. They know that if they joined with Caldera and MAS [Movement Toward Socialism] they would be handing the party over to Eduardo Fernandez. They are supporting me. If Eduardo can be the candidate of Perez or the candidate of the government, it will be fatal for him and very good for me.

[Granier] What are Venezuela's most serious problems?

[Alvarez Paz] The primary problem is the ethical problem. There is an ethical and moral problem in Venezuelan public life that is already affecting many sectors of the nation. There is a widespread tendency to commit fraud—a tendency that stems from the bad examples that have been set and the fact that the system is not working. The most serious practical problem is the fiscal deficit—the failure to balance the budget—and its connection with inflation.

[Granier] There are three ways to attack the deficit. Which one will you choose?

[Alvarez Paz] They are not mutually exclusive. What is needed is to act seriously and with a lot of common sense. Modernization of the tax code, and giving honest and serious consideration to new ways to increase revenue through taxes, are not imprudent steps to take.